Insurance Regulatory and Development Authority of India (Insurance Brokers) Regulations, 2018[1]

(amended upto 30.10.2019)

F.NO. IRDA/REG/2/149/2018-In exercise of the powers conferred by sections 42D, 42E and 114A of the Insurance Act, 1938 (4 of 1938) read with sections 14 and 26 of the Insurance Regulatory and Development Authority Act, 1999 (41of 1999), the Authority in consultation with the Insurance Advisory Committee, hereby makes the following regulations, namely: -

Objective: The objective of these Regulations is to supervise and monitor insurance broker as an insurance intermediary.

1.Short title and commencement —(1) These regulations may be called the Insurance Regulatory and Development Authority of India (Insurance Brokers) Regulations, 2018. (2) These regulations shall come into force on the date of their publication in the Official Gazette and supersede Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2013 with effect from such date.

CHAPTER – I

2.Definitions — (1)Unless the context otherwise requires, —

a.“Act” means the Insurance Act, 1938 (4 of 1938);

b.“Applicant” means a person for registration as insurance broker as referred to in these regulations;

c."Authority" means the Insurance Regulatory and Development Authority of India established under sub-section (1) of section 3 of Insurance Regulatory and Development Authority Act, 1999 (41 of 1999);

d.“Broker Qualified Person” means an individual who is an employee or director of the insurance broker engaged in solicitation and procurement of insurance business and who has undergone training and passed the examination specified for them;

e.“Composite Broker” means an Insurance Broker, registered by the Authority who for a remuneration and/or a fee, solicits and arranges insurance and/or re-insurance for its clients with insurers and/or reinsurers located inIndia and/or abroad; and/or provides claims consultancy, Risk Management services or other similar services, permitted under these regulations.

f.“Direct Broker” means an Insurance Broker, registered by the Authority, who for a remuneration and/ora Fee, solicits and arranges insurance business for its clients with insurers located in India and/or provides claims consultancy, Risk Management services or other similar services, permitted under these regulations.

g."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 52, to hold an enquiry against an insurance broker;

h.“Fee” means payment received by the insurance broker from the client for undertaking any of the services provided to the client, as permitted under these regulations, including claims consultancy, risk management service or other similar services which is not a percentage of premium or claim amount.

i."Form" means the forms specified under these regulations;

j."Inspecting authority" means one or more of its officers appointed by the Authority to discharge the functions stated in regulation 42;

k.“Insurance Broker" means a person who isa direct broker, a reinsurance broker or a composite broker for the time being registered by the Authority, as the case may be, unless expressly stated to the contrary;

l.“Key Management Person” includes Chief Executive Officer, Chief Marketing Officer, Chief Finance Officer, Chief Technical Officer/ Head-IT, Head-Reinsurance and Compliance Officer.

m. “Person” means—

(i)A company formed under the Companies Act, 2013 (18 of 2013); or

[1] *Vide Notification No. IRDAI/Reg/2/149/2018, dated 12th January, 2018, published in the Gazette of India, Extraordinary, Part III, Sec.4, vide No. 26, dated 12thJanuary, 2018 (w.e.f.19.01.2018)*

(ii)A co-operative society registered under the Co-operative Societies Act, 1912 or under any law for the registration of co-operative societies; or

(iii)A limited liability partnership formed under the Limited Liability Partnership Act, 2008(6 of 2009) with no partner being a non-resident entity/ person resident outside India as defined in clause(w) of section 2 of the Foreign Exchange Management Act, 1999(42 of 1999) (FEMA), and not being a foreign limited liability partnership registered thereunder; or

(iv) Any other person as may be recognized by the Authority to act as an insurance broker; n."Principal Officer" means - an officer in an executive role designated as such for the purpose of performing the duties and responsibilities as specified in these regulations to carry out the functions of an insurance broker and who shall bethe chief executive officer or a whole-time director or managing director, managing partner or a managing trustee or such individual appointed / engaged exclusively to carry out the functions of an insurance broker; o."Regulations" means Insurance Regulatory and Development Authorityof India(Insurance Brokers) Regulations, 2018 as amended from time to time;

p.“Reinsurance Broker” means an Insurance Broker, registered by the Authority who for a remuneration and/ora Fee, solicits and arranges re-insurance for its clients with insurers and/or reinsurers located in India and/or abroad; and/or provides claims consultancy, Risk Management services or other similar services, permitted under these regulations.

q.“Risk Management” means providing any sort of insurance risk management services by an insurance broker to its clients such as risk assessment, risk advisory, risk mitigation or risk minimization for the benefit of its client;

r.‘Scheme of amalgamation’ or ‘merger and acquisition’ means the scheme formulated as per Sections 230 - 240 of the Companies Act, 2013;

s.‘Scheme of transfer of business’ means the scheme for transfer of whole or part of business / assets of the insurance broker;

t.“Solicitation” – for the purpose of these regulations is defined as the approach of an insurer or an intermediary to the client with a view to convince the client to purchase an insurance or reinsurance policy;

u.‘Transferor’ means the registered Insurance Broker that transfers the business to another registered Insurance intermediary.

(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 (Nationalization) Act, 1972 (57 of 1972), or Insurance Regulatory and Development Authority Act, 1999 (41 of 1999) shall have the meanings respectively assigned to them in those Acts or the rules and regulations made thereunder, as the case may be.

CHAPTER – II

REGISTRATION AND RENEWAL OF CERTIFICATE OF REGISTRATION

3.Categories of the Insurance brokers –

(1)Application for grant of certificate of registration to act as an insurance broker shall be made for any one of the following categories, namely:

(a) direct broker (life)

(b)direct broker (general)

(c) direct broker (life & general)

(d)reinsurance broker

(e) composite broker (2)An applicant or its group entities ordinarily may be granted one certificate of registration.

However, an application for an insurance broker registration where any applicant orits group entities is already engaged in insurance intermediation including insurance broking shall be considered on merits and subject to there being no conflict of interest.

Note: For the purposes of these regulations, the definition of "group" shall have the same meaning as defined under Insurance Regulatory and Development Authorityof India (Investment) Regulations, 2016 as amended from time to time, or any other direction issued in this regard by the Authority.

4.Functions of an Insurance Broker: The functions of Direct Broker, Reinsurance Broker and Composite Broker are outlined in Schedule I – Form A of these regulations.

PART --A

New Certificate of Registration

5.Submission of Application for grant of certificate of registration —

(1)An application to act as an insurance broker shall be made in application form as specified under Schedule I - Form B of these regulations to the Authority.

(2)The application for grant of certificate of registration shall be as per Regulation 3 above. (3)Application for grant of certificate of registration shall be submitted along with the requisite documents as specified in Schedule I –

(4)Application for grant of certificate of registration shall be submitted along with the requisite fees as specified in Schedule I –

Form D of these regulations.

6.Application to conform to the requirements –

(1)An application, not complete in all respects and not conforming to the instructions specified in Schedule I -Form B and these regulations and not complying with the requirements

and/or directions of the Authority, shall be liable for rejection.

Provided that, before rejecting any such application, the applicant shall be given a reasonable opportunity to complete the application in all respects and rectify the errors, if any.

7.Furnishing of information, clarification and personal representation —

(1)The Authority may require an applicant to furnish any further information and/or clarification and/or may direct the applicant to comply with certain requirement/s for the purpose of disposal of the application, and, thereafter, in regard to any other matter as may be deemed necessary by the Authority.

(2)The Authority shall give, the applicant an opportunity to submit the requirements/ clarifications/ additional information etc sought by the Authority, within30 days from the date of receipt of the communication from the Authority.

(3)The applicant along with their principal officer shall, if so required, appear before the Authority for a personal representation in connection with the application.

(4)The Authority may direct an applicant to submit any information/ data/ clarification as may be required for the processing/ disposal of the application so made to it.

(5)The applicant shall bring to the notice of the Authority, on its own forthwith, such further information/or clarification, which might have a bearing on consideration of their application.

8.Consideration of application —

(1)The Authority while considering an application shall take into account, all matters relevant for carrying out of the functions of the insurance broker.

(2)Without prejudice to the provisionsof (1) above, the Authority in particular, shall take into account the following, namely:-

(a) Whether the applicant is 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 office space, equipment, trained manpower and IT infrastructure to effectively discharge its activities;

(c) Whether the applicant has in their employment a minimum of two broker qualified persons who have the necessary qualifications specified in Schedule I –Form E and experience to conduct the business of insurance broker and in case applicant has certain branch offices, one broker qualified person per branch office having the necessary qualifications specified in Schedule I –Form Eof these regulations and experience to conduct the business of insurance broker.

Note: In case the insurance broker intends to carry on both life and general insurance business, then at least one broker qualified person each shall have relevant experience in life and general insurance and necessary qualifications specified in Schedule I – Form E of these regulations should be present in the company. In case of exit of a broker qualified person from any of the branches, the charge can be given to another broker qualified person on ad-hoc basis and the insurance broker shall take necessary steps to appoint a broker qualified person at the earliest possible time.

However, such arrangements need to be informed to the Authority. If an insurance broker fails to comply with this condition in any of the branch offices under their control, they shall not carry any business in that branch till such a broker qualified person with necessary qualifications as specified in Schedule I –Form E of these regulations is appointed.

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

Explanation:—For the purposes of this sub-clause, the expression "directly or indirectly connected" means a relative in the case of an individual, and in the case of a firm or a company or a body corporate, an associate, a subsidiary, an interconnected undertaking or a group company of the applicant. It is hereby clarified that these terms shall have the same meanings as ascribed to them in the Companies Act, 2013 (18 of 2013) or The Competition Act, 2002, as the case may be.

(e) Whether the applicant fulfills the capital requirements as specified in regulation 19; Net Worth requirementas specified in regulation 22 and deposit requirements as specified in regulation 23.

(f) Whether the principal officer of the applicant possesses the required qualification, undergone training, passed the examination, possesses the necessary certificate and fulfills other requirements as specified in Schedule I –Form E of these regulations.

The information required under Schedule I –Form F of these regulations shall be submitted by Director(s)/ Promoter(s)/ Partner(s)/ Key Management Personnel, in addition to Principal Officer of the applicant.

(g) Whether in the opinion of the Authority the Principal Officer of the applicant is suitable to be so appointed keeping in view his experience, preferably in the insurance sector.

(h) Whether the Principal Officer/ Director(s)/ Promoter(s)/ Partner(s)/ Key Management Personnel are Fit and Proper based on the statement in Schedule I – Form G of these regulations.

(i) Whether the principal officer and/or any other official of the insurance broker has violated the code of conduct as specified in Schedule I –Form H and Schedule I –

Form I, as applicable, of these regulations;

(j) Whether the applicant is engaged in any other business other than the main objects clause of the MOA/ AOA or its equivalent;

(k) Whether the promoters/ investors/ foreign investors/ partners of the applicant are of sound financial position to make investment in the applicant entity.

(l) Whether the broker qualified persons fulfill the requirements mentioned in Schedule I –Form E of these regulations and a list of such broker qualified personsshall be provided to the Authority.

(m) Whether the Authority has rejected the application for grant of certificate of registration or the applicant has withdrawn the application for any reason at any time during the preceding financial year from the date of application.

(n) Whether the foreign investor or Indian Promoter of the existing venture has exited for any reasonat any time during the preceding two financial years from the date of application.

Provided the Authority, considering the interests of the policyholders and overall growth and development of the insurance sector, may relax the condition of two year waiting to such time as it may so specify.

(o) Whether the issue of certificate of registration will be in the interest of policyholders.

9.Payment of fees and the consequences of failure to pay fees —

(1)Every applicant eligible for the grant of a certificate of registration and renewal of certificate of registration shall pay such fees in such a manner and within such a period as specified in Schedule I –

Form D of these regulations.

(2)The Authority shall not process any application which does not carry the required fees.

10.Procedure for issuance of Certificate of Registration –

(1)The Authority on being satisfied that the applicant fulfills all the conditions specified for the issuance of Certificate of Registration, shall first issue an in-principle approval to the applicant for compliance of requirements for issuance of Certificate of Registration.

(2)The Authority upon satisfying itself of the conditions specified in the in-principle approval or other conditions of the Act, Rules, regulations,circulars, guidelines, etc., may issue a Certificate of Registration as prescribed in Schedule I – Form J of these regulations stating the category.

(3)The Certificate of Registration shall be issued subject to the insurance broker adhering to the conditions and the code of conduct as specified by the Authority from time to time. (4)An insurance broker registered under these regulations for a specified category may also apply for the issuance of Certificate of Registration for any other category by fulfilling the requirements of these regulations. However, such application shall be made only after completion of one year from the issuance of certificate of registration in the first instance. (5)In case a Certificate of Registration issued under these regulations or a License issued under previous regulations, is cancelled or surrendered or whose renewal is rejected by the Authority by an Order and such Order is upheld by the Securities Appellate Tribunal or any Court of Law, the applicant may then make a fresh application for grant of Certificate of Registration only after lapse of one year from the effective date of such Order for consideration of the Authority. The Authority may consider such application on merit.

11.Validity of Certificate of Registration —

(1)A Certificate of Registration once issued shall be valid for a period of three years from the date of issue**,** unless the same is suspended or cancelled under these regulations.

(2)No insurance broker shall be permitted to do business without a valid and current Certificate of Registration.

12.Rejection of Application—

(1)Where an application for issuance of Certificate of Registration under these regulations does not satisfy the conditions set out in regulation 8 and 9, the Authority may refuse grant of Certificate of Registration;

Providedthat no application shall be rejected unless the applicant has been given a reasonable opportunity of being heard.

Any applicant, aggrieved by the Order of the Authority, may appeal to the Securities Appellate Tribunal

(2)The Order of refusal to grant Certificate of Registration 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.

(3)If the application is rejected and the applicant chooses not to appeal against the order of rejection of application, the applicant may make a fresh application for issuance of certificate of registration after lapse of one year from effective date of such Order for consideration by the Authority. The Authority may consider such application on merit.

13.Conditions of grant of registration to Insurance Broker -The registration granted under these regulationsor the renewal of registration granted under these regulations shall, *inter alia,* be subject to the following conditions:-

(1)The Insurance Broker registered under these regulations shall act exclusively to carry on the business of an insurance broker as permitted under these regulations;

(2)The Insurance Broker shall comply with the provisions of the Act, Insurance Regulatory and Development Authority Act, 1999 and the Regulations, Circulars, Guidelines and any other instructions issued there under from time to time by the Authority;

(3)The Insurance Broker shall forthwith inform the Authority in writing, if any information or particulars previously submitted to the Authority by them are found to be false or misleading in respect of any material particular or if there is any material change in the information already submitted;

(4)The Insurance Broker shall take adequate steps for redressal of grievances of its clients within 14 days of receipt of such complaint and keep the Authority informed about the number, nature and other particulars of the complaints received from such clients in format and manner as may be specified by the Authority;

(5)The Insurance Broker shall solicit and procure reasonable number of insurance policies commensurate with their resources and the number of Broker Qualified Persons they employ.

(6)The Insurance Broker shall maintain records in the format specified by the Authority which shall capture policy-wise details wherein each policy solicited by the Insurance Broker is tagged to the broker qualified person or other authorised persons, wherever applicable. (7)The Insurance Broker under no circumstance undertake multi-level marketing for solicitation and procuring insurance products;

(8)The Insurance Broker shall ensure compliance of Code of Conduct applicable to it; (9)The Insurance Broker shall maintain books of accounts as specified in these regulations.

PART -- B

Renewal of Certificate of Registration

14.Renewal of Certificate of Registration—

(1)The application for renewal of certificate of registration shall be submitted to the Authority by the insurance broker in Schedule I –Form K of these regulations at least thirty days before the expiry of the certificate of registration.

Providedthat if the application reaches the Authority later than the period mentioned in sub-regulation (1) above but before the actual expiry of the current certificate of registration, an additional fee of rupees one hundred shall be payable by the applicant to the Authority.

Provided furtherthat in case the applicant submits in writing the reasons for the delay not covered by the previous proviso, and if the Authority is satisfied with those reasons, it may accept an application for renewal after the date of the expiry of the certificate of registration upto a period of 60 days of the expiry of certificate of registration, on payment of an additional fee of seven hundred and fifty rupees.

Provided furtherthat the application for renewal received after 60 days of the expiry of the certificate of registration will be considered only after a lapse of 12 months from the date of submission of the late application. However, during the interregnum, the certificate of registration of the insurance broker shall cease to exist and it shall not solicit any new business, except servicing the existing policies till the expiry of the contract.

Note: An insurance broker is permitted to submit the application for renewal ninety days prior to the expiry of the registration.

(2)No insurance broker shall be allowed to do any fresh insurance business after expiry of the certificate of registration, except servicing the existing policyholders.

(3)The Principal Officer and Broker Qualified Persons of an insurance broker before seeking a renewal of certificate of registration shall have completed at least twenty-five hours of theoretical and practical training, imparted by an institution recognized by the Authority.

While doing so, they shall ensure that they complete the renewal training within six months prior tothe expiry of three years from the time the previous training was completed.

(4)The application for renewal, under sub-regulation (1) shall be dealt with in the same manner as specified under regulation 8.

(5)The Authority may seek further information/ clarification/ data on the application submitted by the insurance broker while processing the application.

(6)The insurance broker shall submit such information as required under sub-regulation (5) above within 21 days of receipt of the communication from the Authority.

Provided if the applicant seeks additional time, for the reasons specified, for submission of information sought by the Authority under sub-regulation (5) above, the request may be considered by the Authority on merit.

(7)The certificate of registration of the insurance broker, on failing to comply with sub-regulation (6) above may be suspended till such time the information required under sub-regulation (5) above is received by the Authority.

(8)The Authority, on being satisfied that the applicant fulfills all the conditions specified for renewal of the certificate of registration, shall renew the certificate of registration in Schedule I –

Form L for a period of three years and send intimation to that effect to the applicant.

(9)The category certificate of registration ofan insurance broker may be modified by restricting its operation in a particular category where the certificate of registration was already issued by the Authority for the reasons specified in writing and after giving due notice to the insurance broker. In any case, no restriction of category of the certificate of registration shall be done unless the insurance broker has been given a reasonable opportunity of being heard.

Form M, Schedule I – Form N and Schedule I – Form O.

15.Procedure where a renewal of certificate of registration is not issued —

(1)Where an application for renewal thereof, does not satisfy the conditions set out in regulation 8, 9, and 14, the Authority may refuse to issue the certificate of registration- **Provided**that no application shall be rejected unless the applicant has been given a reasonable opportunity of being heard.

(2)The refusal to issue certificate of registration 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.

(3)Any applicant, aggrieved by the decision of the Authority, may apealto the Securities Appellate Tribunal.

16.Effect of refusal to issue certificate of registration —

(1)Any applicant, whose application for renewal thereof has been refused by the Authority, shall, on and from the date of the receipt of the communication cease to act as an insurance broker.

(2)The insurance broker, however, shall continue to be liable to provide services in respect of contracts already entered into through it.

(3)Such a service shall continue only upto the period of expiry of those current contracts or for a maximum period of six months, whichever is earlier, within which suitable arrangements shall be made by it for having the contracts attended to by another registered insurance broker.

(4)The details of the arrangements shall be disclosed to the Authority on receipt of the communication.

PART -- C

Duplicate certificate of registration

17.Issue of a duplicate certificate of registration —

(1)In the event of a certificate of registration being lost or destroyed or mutilated, an insurance broker shall submit to the Authority an application in the format given in Schedule I – Form P along with a fee of rupees one thousand requesting for the issue of a duplicate certificate of registration and with a declaration giving full details regarding the issue of the certificate of registration and its loss or destruction or mutilation.

(2)The Authority, after satisfying itself that the original certificate of registration has been lost, destroyed or mutilated, shall issue a duplicate certificate of registration as per format given in Schedule I – Form Q with an endorsement thereon that it is a duplicate.

Chapter – III

CORPORATE GOVERNANCE

18.Nomenclature of Insurance Brokers

(1)The insurance brokers shall have the word 'Insurance Broker'/ 'Insurance Brokers'/ 'Insurance Broking' in the name of the Insurance Broker to reflect their line of activity and to enable the public to differentiate insurance brokers registered with the Authority from other non-registered insurance related entities.

(2)The application of the new applicants seeking the registration as insurance broker shall not be considered in the absence of the compliance of the nomenclature requirement.

(3)Every insurance broker shall display, in all their correspondences with all stakeholders, their name registered with the Authority, address of the Registered and Corporate Office, IRDAI registration number, the category for which the insurance broker is registered, validity period of the registration.

(4)Insurance brokers shall not use any other name in their correspondence/ literature/ letter heads without the prior approval of the Authority.

19.Capital Requirement:

(1)Any applicant seeking to become an insurance broker under these regulations shall have a minimum paid up capital/contribution as mentioned below:

Category	Minimum Capital/ Contribution (Rupees)
Direct broker	Seventy Five Lakh
Reinsurance broker	Four crore
Composite broker	Five crore

(2)the capital in the case of a company limited by shares and a cooperative society shall be in the form of equity shares;

(3)for the contribution of partners in the case of LLP shall only be in cash;

(4)the applicant shall exclusively carry on the business of an insurance broker as required under these regulations.

(5)the aggregate holdings of equity shares or contribution by foreign investors, including portfolio investors, shall be as prescribed by the Central Government from time to time; (6)the shares of an insurance broker held as capital or contributions in case of a LLP or equivalent shall not be pledged in any form or manner to secure credit or any other facility and shall at all times be unencumbered.

(7)further, the investment in the applicant by the promoters/ shareholders/ partners shall be from their own funds and not from any other sources.

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

20.Manner of calculation of equity capital held by foreign investors

(1)The aggregate holdings of equity shares or contribution or equivalent in the Insurance Broker by foreign investors, including portfolio investors, shall not exceed such per cent of limits as prescribed by Central Government.

(2)For the purposes of the Act and these Regulations, the calculation of the holding of equity shares by one or more Foreign Investors in the applicant company, shall be as per details given in Schedule II – Form R.

21.[2]**[***]**.

[3]**[**21A. **Foreign Investment**

Every applicant, who is a company incorporated under the Companies Act, 2013 and has a majority of shareholding of foreign investors, shall furnish an undertaking as given in Schedule – AA.**]**

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[2]*Omitted by Insurance Regulatory and Development Authority of India (Insurance Intermediaries) (Amendment) Regulations, 2019, dated 30thOctober, 2019 (w.e.f 01.11.2019). Prior to its omission, Regulation 21, read as under:*

"(1) Every Insurance Broker granted Certificate of Registration shall be governed by "Indian owned and controlled" requirements as specified in Act, Rules and guidelines."

[3]*Inserted by Insurance Regulatory and Development Authority of India (Insurance Intermediaries) (Amendment) Regulations, 2019 dated 30thOctober, 2019 (w.e.f 01.11.2019).*

22.Net-worth requirements

(1)The net-worth of an Insurance Broker shall at no time during the period of certificate of registration fall below:

i. rupees fifty lakh for direct broker;

ii. 50% of the minimum capital requirements or contribution or equivalentspecified under Regulation 19(1) for reinsurance / composite broker.

Explanation: For the purposes of these regulations, "net worth" shall have the meaning assigned to it in the Companies Act 2013 and as amended from to time

(2)In case of non-compliance of sub-regulation (1) above, the Insurance Broker shall immediately restore the networth to the limits given in (1) above and report compliance of the same.

(3)The Insurance Broker shall submit to the Authority a net worth certificate duly certified by an Auditor every half-year.

23.Deposit requirements —

(1)Every insurance broker shall before the commencement of their business, deposit and keep deposited with any scheduled bank a sum equivalent to:

i. rupees ten lakhs for direct broker

ii. 10% of the minimum capital/ contribution specified under Regulation 19(1)for reinsurance / composite brokerin fixed deposit, which shall not be released to them without the prior written permission of the Authority.

Providedthat the Authority may impose a separate limit of deposit, in any case not exceeding Rupees one hundred lakhs, for a person covered by regulation 2(1)(m)(iv). (2)The deposit shall have a lien with the Authority.

(3)Such deposit shall not be pledged for taking any loan or overdraft facility by the insurance broker;

(4)Every insurance broker shall furnish to the Authority as and when called upon to do so a non-encumbrance statement from scheduled bank in which such fixed deposit is kept. (5)The interest earned on the deposit shall not be subject to lien with the Authority.

24.Professional indemnity insurance —

(1)Every insurance broker shall take out and maintain at all times a professional indemnity insurance cover throughout the validity of the period of the Certificate of Registration issued to them by the Authority, as specified in Schedule II – Form S of these regulations.

Provided that the Authority shall in appropriate cases allow a newly registered insurance broker to produce such a policy within twelve months from the date of issue of certificate of registration.

25.Ownership and control of shares

(1)The beneficial ownership and control of the shares or contribution or equivalent in case of Insurance brokershall totally and completely rest with the entity/ individual approved by the Authority.

(2)The process of transfer of shares or contribution or equivalent in case of Insurance Broker is given in Schedule II – Form T of these regulations.

26.Remuneration and reward to be received by an Insurance Broker from an insurer– (1)For Direct insurance business:

(a)The payment of remuneration and/ or reward to an insurance broker by an insurer shall be as per IRDAI (Payment of commissionorremuneration or reward to insurance agents and insurance intermediaries) Regulations, 2016 notified by the Authority in this behalf**;**

Explanation*: No remuneration or reward 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 remuneration is payable.*

(2)For reinsurance business**—**

(a)as per market practices prevalent from time to time.

(b)The settlement of accounts by insurers in respect of remuneration of insurance brokers shall be done on a monthly basis and it must be ensured that there is no cross settlement of outstanding balances.

27.Risk Management Services –

(1)An insurance broker may charge the client fee for the services rendered by them to the

client for risk management services or other similar services as per the functions defined under these regulations.

(2)The insurance broker can undertake this activity onlyfor commercial risks based on the written confirmation from client for those fees.

(3)TheInsurancebroker cannot receiveboth the remuneration and reward as stipulated under the IRDAI (Payment of commission or remuneration or reward to insurance agents and insurance intermediaries) Regulations, 2016 and fees for the same risk management services as given in Regulation 2(1)(q).

(4)The insurance broker shall obtain a written mandate from the client to offer risk management services and shall keep a record of the risk management services offered to the client which will include details such as name of the client, place of risk, nature and type of risk management services undertaken, amount of fee charged from the client, basis of fee charged, etc.

(5)the insurance broker may charge fee for such other similar services as may be mutually decided between the insurance broker and the client.

(6)In case the insurance broker does not have the necessary skills and resources, it may engage external experts or specialists for undertaking the risk management servicesor such other similar services.

(7)In such case the insurance broker shall inform the client and shall keep a record of the risk management services or such other similar services offered to the client which will include details such as name of the expert, service rendered, fees paid, basis of fee paid, etc. (8)The insurance broker shall be responsible for all acts of the external experts for undertaking risks management services.

28.Claim Consultancy -

(1)Insurance brokers may undertake claims consultancy only for commercial lines of general insurance business, subject to the following conditions:

(a)for claims not exceeding Rs.10 crorethe insurance broker may undertake claims consultancy provided such claim does not emanate from a policy, which has been placed by the same insurance broker.

(b)the insurance broker shall inform the Authority within 30 days of acceptance of such claims consultancy by providing details such as name of the client, place of risk, name of the insurer, name of the distribution channel, if any, amount of claim, dateof occurrence of loss, mandate obtained from the client for the claims consultancy; (c)for claims exceeding Rs. 10 crores the insurance broker may undertake claims consultancy with the prior approval of the Authority.

(d)The application for seeking prior approval under Regulation 28 (1) (c) shall accompany the details such as name of the client, place of risk, name of the insurer, name of the insurance intermediarythrough whom the policy was originally placed, the reason for not providing the claims assistance to the client by the other intermediary, amount of claim, date of occurrence of loss, mandate obtained from the client for the claims consultancy.

(e)before offering the claims consultancy, the insurance broker shall obtain a written mandate from the client to represent the client with the insurer concerned for the claim for which consultancy has been sought by the client and offered by the insurance broker.

(f)the insurance broker may charge fee for claims consultancyservices as may be mutually decided between the insurance broker and the client. However, such fee shall not be expressed as a percentage of the claim.

(g)the insurance broker shall, in all their dealings with such clients, be governed by the provisions of Code of Conduct as specified in Schedule I –Form H and Schedule I –

Form I, as applicable, of these regulations.

(h)Any dispute between two or more insurance brokers arising out of such claims consultancy arrangements shall, in the first instance, be considered by the Insurance Brokers Association of India (IBAI) and thereafter the IBAI shall forward such dispute together with its recommendation to the Authority for final disposal.

(i)The Authority will review and decide the norms regarding claims consultancy from time to time.

29.Board Approved Policy for comparison and distribution of insurance products - (1)Every Insurance broker shall have a Board approved policy on the manner of soliciting insurance policies. The Board approved Policy, amongst others, shall include the approach to be followed by the Insurance broker in having multiple tie-ups, type of products sold, mode of solicitation, grievance redressal mechanism, reporting requirements and any other item with regard to different business segments.

(2)The Board of the Insurance Broker shall review the same atleast once in three years.

30.Code of conduct for Insurance brokers –

(1)Every insurance broker shall abide by the Code of Conduct as specified in Schedule I – Form H of these regulations.

(2)In case of a Composite Broker or a reinsurance broker, he shall abide by the additional Code of Conduct specified in Schedule I –

Form I of these regulations.

31.Internal control and systems —

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

(2)In case of reinsurance and composite brokers it is mandatory that the insurance broker shall have internal audit systems and designate a compliance officer who is an employee of the insurance broker.

(3)Without prejudice to the above, it is mandatory for an insurance broker who in a financial year earns more than rupees five crore remuneration (including reward) to have a designated Compliance Officer who will be responsible for the internal controls and systems.

32.Co-broking

(1)Two or more registered insurance brokers can jointly handle the broking of insurance requirements of any client with the written consent of the client.

(2)It is open to a client to appoint in writing more than one insurance broker to jointly handle the broking of its insurance requirements depending on the skills that the insurance brokers may bring to the activity and to decide the manner in which the remuneration or fee payable on the business may be shared among them.

(3)In such a situation the registered insurance brokers shall enter into Terms of Business Agreement for providing insurance broking services to the specified client and the Agreement shall include, amongst other things, the manner defining the duties and responsibilities of each registered insurance broker, the manner of sharing of remuneration or fee among themselves, the reason for providing insurance broking services jointly. (4)The manner in which the remuneration is shared among the co-brokers shall be disclosed to the insurer.

Direct Co-broking

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

(6)In any case, the total of remuneration shared among the insurance brokers together shall not be more than the limits specified in regulation 26.

(7)The insurer will be guided by the instructions of the client with regard to payment of remuneration to each co-broker for their share.

(8)Co-broking is not permitted for individual and retail lines of insurance business.

Reinsurance Co-broking

(9)Each of the co-brokers on a reinsurance placement shall also be responsible to ensure that these regulations are complied with by themselves and any foreign brokers engaged by them.

(10)Where a reinsurance placement is co-broked with a foreign reinsurance broker, the registered broker in India shall only use reinsurance co-brokers who agree to comply with the requirements of these guidelines and shall be responsible to secure compliance with these regulations or other guidelines to the extent applicable, by the foreign reinsurance co-broker.

(11)The insurer will be guided by the instructions of the client with regard to payment of remunerationto each co-broker for their share or to the lead co-broker who will then be responsible to pay the other co-brokers.

(12)The name and other particulars of the foreign reinsurance co-broker shall be disclosed to the insurer.

33.Segregation of insurance money —

(1)The provisions of section 64VB of the Act shall continue to determine the question of assumption of risk by an insurer.

(2)In the case of reinsurance contracts, it may be agreed between the parties specifically or as part of international market practices that the registered reinsurance broker or composite broker can collect the premium and remit to the reinsurer and/or collect the claims due from the reinsurer to be passed on to the insurer. In these circumstances the money collected by the registered insurance broker shall be dealt with in the manner specified in Schedule II – Form U of these regulations.

34.Maintenance of books of account, records, etc. –

(1)Every insurance broker shall prepare for every financial year –

(a)a balance sheet or a statement of affairs as at the end of each accounting period; (b)a profit and loss account for that period;

(c)a statement of cash/fund flow (direct method);

(d)Additional statements on insurance broking business as may be required by the Authority.

Note: For purposes of this regulation, the financial year shall be a period of 12 months (or less where a business is started after 1st April) commencing on the first day of the April of an year and ending on the 31st day of March of the year following, and the accounts shall be maintained on accrual basis.

(2)Every insurance broker shall submit to the Authority, a copy of the audited financial statements as stated in sub-regulation (1) along-with the auditor's report thereon within 30 days of holding of the annual general meeting or before 30th September every year whichever is earlier along with the remarks or observations of the 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 filed with the Authority.

(3)Every insurance broker shall, within ninety days from the date of the Auditor's report take steps to rectify any deficiencies, made out in the auditor's report and inform the Authority accordingly.

(4)All the books of account, statements, document, etc., shall be maintained at the head office of the insurance broker or such other branch office as may be designated by them and notified to the Authority, and shall be available on all working days to such officers of the Authority, authorised in this behalf by it for inspection.

(5)All the books, documents, statements, contract notes etc., referred to in this regulation and maintained by the insurance broker shall be retained for a period of at least seven years from the end of the year to which they relate. However the documents pertaining to the cases where claims are reported and the decision is pending for a decision from courts, the documents are required to be maintained till the disposal of the cases by the court. In the case of reinsurance brokers, all other documents are required to be maintained till its natural expiry.

(6)There shall be a note to their financial statements providing the details of all the incomes received from insurers and insurer's group companies, insurer-wise, by the insurance broker and also the details of payments received by the group companies and/or associates and/or related parties of the insurance broker from any insurer and the details thereof.

(7)A certificate confirming the compliance of these regulations in the format given in Schedule II – Form UA shall also be submitted by the auditor.

(8)Every insurance broker shall submit to the Authority the details of statutory auditors

Form V of these regulations. The statutory auditors of the insurance broker shall be appointed for a maximum continuous duration of up to 5 years.

(9)Every insurer who is engaging the services of an insurance broker shall file with the Authority a certificate separately for all such insurance brokers in case the remuneration and other payments made to insurance broker exceeds the limits stipulated, in the format given in the Schedule II –Form W to be signed by the CEO and CFOof the insurer. A similar certificate from the Principal Officer and CFO (or its equivalent) of the insurance broker certifying that the remuneration and other payments received by the insurance broker from the insurer shall be filed with the Authority as given in Schedule II – Form W.

35.Ceiling 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 remuneration shall emanate from any one client in a financial year.

Note: For the purposes of this regulation, the term "client" shall include, in the case of a firm or a company, an associate or a subsidiary or a group concern under the same management. The definition of "group" shall have the same meaning as defined in IRDAI (Investment) Regulations, 2016.

(2)The percentage of remuneration as specified in sub-regulation (1) will not include reinsurance remuneration as well as remuneration towards insurance business emanating from a Government body or Public sector undertaking.

(3)The decision of the Authority as to whether a company, a business or an organisation is under the same management shall be final.

(4)An insurance broker shall furnish a certificate duly certified by a Chartered Accountant confirming compliance with this regulation every year along with the audited accounts.

36.Outsourcing of activities by insurance broker –An Insurance Broker can outsource the activities given in Schedule II -

Form X based on a Board approved policy.

37.Single broking registration to one corporate group and dealings with Group companies (1)The Authority shall ordinarily issue only one certificate of registration in the categories of Direct Broker (Life) and/ or Direct Broker (General) and/ or Direct Broker (Life & General) and/ or Reinsurance Broker or Composite Broker to a corporate group. For the purposes of these regulations, the group shall have the same meaning as defined in IRDAI (Investment) Regulations, 2016.

(2)Promoters of the insurance broker shall give an undertaking that none of the clients within promoter group will be compelled for their insurance requirements.

(3)There must be mandatory disclosures of related party transactions with the promoter group in their audited accounts and balance sheet as per accounting standards.

(4)For insurance brokers promoted by Corporate Houses having an insurance company within their group, not more than 25 per cent of the insurance premiums (separately for life and for general(incl. health) insurance business)handled by the insurance broker in any financial year shall be placed with the insurance company within the promoter group. The broker shall establish internal machinery to monitor this on an ongoing basis.

(5)The insurance brokers falling under this category shall have to abide by the following conditions:

A) <u>Obligations of the Insurer:</u>

(i) The insurer within the group should give an undertaking that –

(a)it will not pay higher remuneration or reward to the insurance broker within the group compared to what is payable to other insurance brokers for the same class of insurance or insurance product;

(b)it will not quote terms to the insurance broker within the group, that are more favourable than the terms quoted to other insurance brokers on the same proposal for insurance; and

(c)it will not design special insurance products for sale exclusively through the insurance broker.

(d)It will file an audit certificate on compliance with this undertaking annually with the audited accounts of the insurer;

B) <u>Obligations of the Insurance Broker:</u>

(i) The broker shall make an explicit disclosure of it being a sister company of the insurer within the same promoter group, in all its stationary used for communication with clients and in all publicity materials and at the offices of the broker.

(ii) Where the insurance broker recommends a product and quotes rates and terms offered by an insurer within the same promoter group, the insurance broker shall inform the client about the logic in support of its recommendation and also inform the client about the next best product, rates and terms offered by an insurer not part of the promoter group.

(iii) It shall be mandatory for the insurance broker to disclose Related Party transactions with the insurance company belonging to the promoter group in its audited accounts and balance sheet as described in the Accounting Standards.

C) <u>Obligations of both the Insurer and the Insurance Broker</u>

(i) The insurance company and the insurance broker shall maintain arms length distance between themselves. More explicitly, no employee or director of the insurance broker shall be a director, employee, or agent of the insurance company.

(ii) The insurance broker shall not offer loans or other facilities or incentives to officers or employees of the insurer within the group and vice versa.

[For this purpose, "Group" shall be as defined in the IRDAI (Investment) Regulations, 2016 and Guidelines issued thereunder.]

38.Reinsurance / Composite brokers sharing of Brokerage with a foreign broker for the placement of risks –

(1)In case any insurer/ reinsurer registered in India, utilizes the services of any reinsurance

broker for the placement of reinsuranceof Indian risks abroad, such placement shall be through a reinsurance or composite broker registered by the Authority only.

(2)For the purposes of sub-regulation (1) above, a registered reinsurance or composite broker may utilize the services of a foreign broker for placement of reinsurance with insurers or reinsurers outside India.

(3)For the purposes of sub-regulation (2) above, the reinsurance/composite brokers registered with the Authorityshall not share more than 50% of the remuneration with the foreign insurance broker for the services obtained from them.

39.Filing of Returns —

(1)Every insurance broker shall before 31stOctober and 30thApril each year furnish to the Authority the following certificates duly certified by the auditor.

(a)A certificate to the effect that the insurance broker is maintaining required capital, the insurance broker is not engaged in any other business other than insurance broking and also maintains required net worth as required under regulations 19 and 22, as per Annexure I-A of these regulations;

(b)A certificate to the effect that the insurance broker is maintaining a deposit in compliance of regulation 23, as per Annexure I-B of these regulations;

(c)A certificate to the effect that a Professional Indemnity Policy is in force in compliance of regulation 24, as per Annexure I-C of these regulations;

(d)A certificate confirming that the insurance broker has received the remuneration as per the limits prescribed in the regulation 26, as per Annexure I-D of these regulations; (e)A certificate in case of a reinsurance broker or a composite broker to the effect that the insurance broker is complying with provisions of regulation 33 and is maintaining a separate Insurance Bank Account and the monies lying in the said account are not used for any purposes other than as specified in the regulations, as per Annexure I-E of these regulations.

(f)A certificate in case of a reinsurance broker or a composite broker on the amount of remuneration orfees earned during the period and any transfers made to any other account as per Annexure I-F of these regulations.

(2)the insurance brokers shall file periodical returns, without fail within the time specified, as per the formats/ returns prescribed under Authority's Business Analytical Project. Any failure to comply with this regulation without sufficient reason beyond 15 days shall attract penal action as specified under these regulations;

(3)any false or wrong certification or concealment of facts in the certificates submitted to Authority shall attract penal action as specified under these regulations.

40.Disclosures to the Authority —

(1)An insurance broker shall disclose to the Authority on their own any material change which has a bearing on their certificate of registration within 30 days of such change;

(2)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 following information, namely –

(a)their responsibilities with regard to the placement of an insurance or reinsurance contract;

(b)any change in the information or particulars previously furnished, which have a bearing on the registration granted to them;

(c)the names of the clients whose insurance portfolio they manage or have managed; (d)any other requirement or information specified by the Authority from time to time.

Provided that in case of a person specified in regulation 2(1)(m)(iv), the Authority may call for and obtain such information as it deems fit.

(3)In any case, an insurance broker shall have to take the prior approval of the Authority for the following;

(a)Change of Principal Officer;

(b)Change of Director(s)/Partner(s) provided that in the event of resignation of the Director / Partner, the Authority may be informed;

(c)Change in name of the company;

(d)Change in place of corporate/registered office, if such change is not within same city in which case the same may be informed;

(4)An insurance broker shall furnish to the Authority the following information as and when there is a change/addition to the information furnished previously to the Authority.

(a)Opening/closing of branch offices;

(b)List of broker qualified persons and point of sales persons;

(c)Claim under the professional indemnity policy;

(d)Acquiring of immovable property;

(e)Change in principal place of business within same city;

(5)The Authority may from time to time require the insurance broker to furnish information/data/documents in the manner as may be specified in the matter.

(6)Failure to comply with this regulation shall attract penalaction, in accordance with the provisions of regulation 48 being taken against the insurance broker.

Explanation*: (1) For the purpose of this regulation, `material change' means any change which has a bearing on consideration of their application under regulation 8 of these regulations.*

(2) For the purpose of this regulation, the `principal place of business' means location of head office of a business where the books and records are kept and/or management works.

41. Amalgamation and Transfer of business

1)No insurance broker shall undertake any scheme of amalgamation or merger & acquisition or transfer of business except in accordance with these Regulations.

2)No scheme of amalgamation shall be implemented by an insurance broker without the prior written approval of the Authority.

3)No scheme of transfer of business whether wholly or partly shall be implemented by an insurance broker where notwithstanding such transfer, the transferor continues to act as an Insurance broker under the Regulations, unless the prior written approval of the Authority is obtained.However,no transferor shall act as a broker for such transferred business beyond six months.

4)No scheme of transfer of business shall be implemented by an Insurance broker where such transfer results in voluntary surrender of registration by the transferor, unless the prior written approval of the Authority is obtained.

5)The process for seeking approval of the Authority is indicated at Schedule II –Form Y of these regulations.

42. Authority's power to inspect —

(1) The Authority may appoint one or more of its officers as "inspecting authority" to undertake inspection of the premises of the insurance broker to ascertain and see how the business is carried on, and to inspect the books of accounts, records and documents of the insurance broker for any of the purposes specified in sub-regulation (2).

(2) The purposes referred to in sub-regulation (1) may be as follows, namely : —(a)to ensure that the books of account are being maintained in the manner required; (b)to ensure that the provisions of the Act, rules, regulations are being complied with; (c)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

(d)to investigate the affairs of the insurance broker *suomotu*in the interest of proper development of insurance business or in policyholders' interest.

(3)The manner in which the inspection will be conducted is specified in Schedule II –Form Z of these regulations.

(4)The list of documents required for the inspection to be maintained by the insurance broker and to be provided at the time of inspection shall be as specified by the Authority.

43. Appointment of investigator by the Authority –

(1)The Authority may appoint a chartered accountant or an 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, if the Authority is of the view that the affairs of the insurance broker are not in the interest of the policyholder or are not in compliance to the provisions of the Insurance Act, Regulations, circulars, guidelines, etc .

Provided that the person so appointed shall have the same powers of the inspecting authority as are mentioned in regulation 42 and the obligations of the insurance broker in regulation 42 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 141 of the Companies Act, 2013 (18 of 2013), as amended from time to time, and the expression 'actuary' shall have the same meaning as given in section 2(1)(a) of The Actuaries Act, 2006 (35 of 2006).*

(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.

Chapter – IV

ONLINE SALES, TELEMARKETING AND DISTANCE MARKETING

44. Sale of Insurance Online –

(1)Insurance brokers may enter into an agreement with insurers for sale of insurance products online by linking to the web portals of the insurers.

(2)The sale of insurance online by Insurance Brokers shall be as per IRDAI (Insurance Web Aggregators) Regulations, 2017 and Guidelines on Insurance e-commerce issued by the Authority in so far as they are applicable.

45. Sale of Insurance by tele-marketing mode–

(1)The sale of insurance where leads are generated through online and off-line mode and completed through tele-marketing mode by Insurance Brokers shall be as per IRDAI (Insurance Web Aggregators) Regulations, 2017 issued by the Authority and the Insurance Broker can undertake outsourcing activities only to the extent of tele-calling as allowed under IRDAI (Insurance Web Aggregators) Regulations, 2017 in so far as they are applicable.

46. Sale of Insurance through distance marketing mode –

(1)The sale of insurance where leads are generated through online and offline and completed through distance marketing mode by Insurance Brokers shall be as per IRDAI (Insurance Web Aggregators) Regulations, 2017 issued by the Authority and the Insurance Broker can undertake outsourcing activities only to the extent of tele-calling as allowed under IRDAI (Insurance Web Aggregators) Regulations, 2017 in so far as they are applicable.

Chapter – V

APPROACH IN CASE OF NON-COMPLIANCE OF REGULATIONS

47. Action against a person acting as an insurance broker without a valid certificate of registration—

(1)Notwithstanding and without prejudice to initiation of any criminal proceedings against any person, who acts as an insurance broker without holding a valid certificate of registration issued under these regulations, the Authority may invoke against such a person penal action under the Act.

(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 initiated by the Authority against such company or

firm or body corporate; every director, manager, secretary or other officer of the company or body corporate, and every partner of the firm, who is knowingly a party to such a contravention shall also be liable to a penalty which may extend to ten lakh rupees.

48. Penalty for certain violations / breaches

(1)In case a registered insurance broker violates any of the provisions of Insurance Act, 1938,

IRDA Act, 1999 and Rules and Regulations made there under, any circular/guidelines/orders issued by the Authority from time to time, the Authority may issue such order imposing appropriate penalty depending on the nature/gravity of violation. (2)The insurance broker, if aggrieved by the decision of the Authority, may appealto the Securities Appellate Tribunal.

49. Suspension or Cancellation of certificate of registration with notice –

(1)The certificate of registration of an insurance broker may be suspended or cancelled after due notice and after giving them a reasonable opportunity of being heard if they — a)violate the provisions of the Insurance Act,1938 (4 of 1938), Insurance Regulatory and Development Authority Act, 1999 (41 of 1999) or rules or regulations, made thereunder as amended from time to time;

b)fail to furnish any information relating to their activities as an insurance broker as required by the Authority;

c)fail to comply with the directions issued by the Authority;

d)furnish wrong or false information; or conceals or fails to disclose material facts in the application submitted for obtaining a registration or during the validity of certificate of registration;

e)do not submit periodical returns as required by the Authority;

f)do not co-operate with any inspection or enquiry conducted by the Authority;

g)fail to resolve the complaints of the policyholders or fails to give a satisfactory reply to the Authority in this behalf;

h)indulge 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 except as permitted under these regulations;

i)are found guilty of misconduct or their conduct is not in accordance with the Code of Conduct specified in Schedule I –Form H and Schedule I –

Form I, whichever is applicable;

j)fail to maintain the capital, net-worth and deposit requirements in accordance with the provisions of regulations;

k)fail to pay the fees, penalties imposed or the reimbursement of expenses under these regulations;

l)violate the conditions of certificate of registration;

m)do not carry out their obligations as specified in the regulations;

n)undertakes multi-level marketing for soliciting and procuring of insurance policies; o)carry on the business with a Principal Officer who does not acquire practical training and pass the examination within the stipulated period as specified in regulations; p)the Authority is of the view that the establishment of an insurance broker is only to divert funds within a group of companies or their associates, and the fact is established after due enquiries made by the Authority.

50. Suspension or Cancellation of certificate of registration without notice —

(1)The certificate of registration of an insurance broker may be suspended or cancelled without notice, if they

(a)violate any one or more of the requirements under the code of conduct specified in Schedule I – Form H and Schedule I –

Form I, whichever is applicable;

(b)are found guilty of fraud, or is convicted of a criminal offence;

(c)commit 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)have not commenced the business within six months of being granted a registration. (2)in case the certificate of registration of an insurance broker is suspended without notice, such certificate of registration shall not be cancelled unless an enquiry has been held in accordance with the procedure specified in regulation 52.

51. Publication of order of suspension —

(1)The order of suspension or cancellation of the certificate of registration made under regulation 49orregulation 50, shall be displayed on website of the Authority and communicated to theinsurers, so that registration of new business by the suspended insurance broker is stopped forthwith by the insurers.

(2)On and from the date of suspension or cancellation of the certificate of registration, the insurance broker, shall cease to function as an insurance broker.

(3)An insurance broker however shall continue to service the contracts already concluded through them for a period of six months within which he shall make suitable arrangements for having the contracts attended to by another registered insurance broker.

52. Manner of holding of enquiry after suspension of certificate of registration of the insurance broker—

(1)The certificate of registration of an insurance broker shall not be cancelled unless an enquiry has been conducted in accordance with the procedure specified in this regulation. (2)For the purpose of holding an enquiry under this regulation, the Authority may appoint an enquiry officer within 15 days of the issue of the suspension order;

(3)The enquiry officer shall issue a notice to the insurance broker at the registered office or the principal place of business of the insurance broker, as the case may be, calling for all information / data as deemed necessary to conduct the enquiry and grant the insurance broker a time limit of 15 days from date of receipt of the notice, for submission of such information / data called for;

(4)The insurance broker may, within fifteen days from the date of receipt of such notice, furnish to the enquiry officer a reply to the notice together with copies of documentary or other evidence relied on by them or sought by the enquiry officer;

(5)The enquiry officer shall give a reasonable opportunity of hearing to the insurance broker to enable them to make submissions in support of their reply made under sub-regulation (4) above;

(6)The insurance broker may either appear in person or through any person duly authorised by them to present their case, provided however that the prior approval of the enquiry officer is obtained for the appearance of the 'authorised person';

(7)If it is considered necessary, the enquiry officer may require the Authority to present its case through one of its officers;

(8)If it is considered necessary, the enquiry officer may call for feedback/information from the insurer or any other related entity during the course of enquiry;

(9)If it is considered necessary, the enquiry officer may call for additional papers from the insurance broker;

(10)The enquiry officer shall make all necessary efforts to complete the proceeding at the earliest but in no case beyond 60 days of the commencement of the enquiry

Provided that in case the enquiry cannot be completed within the prescribed time limit of 60 days as mentioned above; the enquiry officer may seek additional time from the Authority

stating the reason thereof;

(11)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 30 days of the completion of the enquiry proceedings.

53. Action to be taken after the receipt of the enquiry report. —

(1)On receipt of the report from the enquiry officer, the Authority shall consider the report and issue a show-cause notice to the insurance broker if the contents of the report warrant a cancellation of the registration granted to them;

Providedthat no such notice is required, in case the provisions of regulation 50are 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, that 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 on merit and pass such an order as it deems fit.

(4)The Authority shall send a 'final order of the Authority' made under sub-regulation (3) to the insurance broker.

54. Procedure for Cancellation of certificate of registration —

(1)Authority shall issue the final order for cancellation of the certificate of registration of the insurance broker and they shall cease to act as an insurance broker from the date of the final order.

(2)The process of notification of the cancellation of certificate of registration of the insurance broker is outlined in regulation 55.

(3)The Authority in such an event may pass such order as it thinks fit for the disposal of the deposit of the insurance broker made under regulation 23.

(4)An insurance broker whose certificate of registration has been cancelled shall continue to service the contracts already concluded through them for a period of six months from the order of cancellation of certificate of registration within which period they shall make suitable arrangements for having the contracts attended to by another registered insurance broker.

(5)The registered insurance broker who agrees to take over the obligations of policy service from the insurance broker whose certificate of registration has been cancelled shall submit their request to the insurer for serving the policies / contracts through the term.

(6)The registered insurance broker on obtaining the approval from the insurer, for take-over of the obligations of policy service, can collect remuneration on current contracts in vogue with prospective effect from the date of service of the contracts.

(7)The insurer shall pay remuneration/ policy service, on current contracts in vogue with prospective effect from the date of allotment of service of the contracts to the insurance broker to whom the insurer has given the authority.

55. Publication of order on cancellation of certificate of registration —The order of cancellation of the certificate of registration made under sub-regulation (3) of regulation 53, shall be published in one daily newspaper in the English language and one newspaper in the regional language as the Authority may consider fit, in addition to display on the website of the Authority.

56. Effect of cancellation of certificate of registration —

(1)On and from the date of suspension or cancellation of the certificate of registration, 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 them for a period of six months within which suitable arrangements shall be made by them for having the contracts attended to by another registered insurance broker. (3)Another registered insurance broker who agrees to take over the obligations of policy service can collect remuneration on current contracts which were not collected earlier from insurers, provided the insurance broker undertakes to service the policies through its term.

Chapter – VI
MISCELLANEOUS

57. Voluntary Surrender of certificate of registration –

(1)An Insurance Broker registered under these regulations may make an application to the Authority for surrender of their certificate of registration. The Authority may consider such application on merit.

(2)Upon acceptance of the application for surrender made by the insurance broker, the Authority may pass an order for surrender of certificate of registration.

(3)The insurance broker whose certificate of registration is surrendered and accepted by the Authority shall have to make arrangements as specified in regulation56.

(4)The documents/information required to be submitted for surrender of certificate of registration is as per Schedule III – Form AA to these regulations.

58. Repeal and Savings:

(1)Every Insurance Broker granted Licence or Certificate of Registration for acting as an insurance broker under the earlier regulations shall be valid under these regulations.

(2)Existing Insurance Brokers shall ensure compliance of the provisions relating to paid-up equity capital and net-worth requirements within a period of two yearsfrom the date of notificationof these regulations and other requirements specified in these regulations within six months from the date of notification of these regulations.

(3)However, the Authority may, on an application made to it by an existing insurance broker, for valid reasons, grant a further period of six months time to comply with the Regulations. (4)[4]**[***]**.

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[4]Omitted by the Insurance Regulatory and Development Authority of India(Insurance Intermediaries) (Amendment) Regulations, 2019 dated 30th October, 2019 (w.e.f. 01.11.2019).

Prior to its omission, sub-regulation (4), read as under:

"(4) An undertaking to the effect that compliance of "Indian owned and controlled" as required under the regulation has been ensured shall be filed by all Insurance Brokers duly signed by the Principal Officer and Chief Compliance Officer within 45 days from the date of meeting of the Board of Directors, where such compliance has been confirmed."

(5)Every undertaking shall be accompanied by: (1) A certified copy of resolution passed by the Board of Directors confirming the compliance of sub-regulation (2) above; (2) Where applicable, certified copy of the agreement / Joint venture Agreement where amendments to the agreement / joint venture agreement have been carried out to give effect to the provisions of the Act.

59. General —

(1)From the date of notification of these regulations no person can function as an insurance broker unless a certificate of registration has been granted to them by the Authority under these regulations or under any other regulations which was in force.

(a)Insurance brokers including the insurance brokers registered under the Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2013 shall be governed by the provisions of the Insurance Regulatory and Development Authority of India (Insurance Brokers) Regulations, 2018from the date of notification of these regulations.

(b)The licenses issued under the provisions of the Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2013 shall continue to be valid till the expiry of the license provided there are no violations of any of the provisions of the Insurance Regulatory and

Development Authority of India (Insurance Brokers) Regulations, 2018 from the date of notification of the regulations.

(c)Applications for grant of license or renewal of license, received at the Authority prior to notification of these regulations shall be governed by the provisions of Insurance Regulatory and Development (Insurance Brokers) Regulations, 2013 till the final consideration / disposal of such applications.

(d)Proceedings / Departmental enquiry / Departmental inspection which have been initiated against the insurance broker under the provisions of Insurance Regulatory and Development (Insurance Brokers) Regulations, 2013 shall be governed by the provisions of respective regulations till their final disposal.

(2)Any disputes arising between an insurance broker and an insurer or any other person either in the course of their 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)Power to remove difficulties and issue clarifications - In order to remove any doubts or the

difficulties that may arise in the application or interpretation of any of the provisions of these regulations, the Chairperson of the Authority may issue appropriate clarifications or guidelines as deemed necessary.

Insurance Regulatory and Development Authority of India
(Insurance Brokers) Regulations, 2018

SCHEDULE I – Form A

(See regulation 4)

Functions of Direct broker / Reinsurance broker / Composite Broker

1. Functions of a direct broker — The functions of a direct broker shall include the following: (a)Obtaining detailed information of the client's business and risk management philosophy; (b)Familiarizing himself with the client's business and underwriting information so that this can be explained to an insurer and others;

(c)Rendering advice on appropriate insurance cover and terms;

(d)Maintaining detailed knowledge of available insurance markets, as may be applicable;

(e)Submitting quotation received from insurer/s for consideration of a client;

(f)Providing requisite underwriting information as required by an insurer in assessing the risk to decide pricing terms and conditions for cover;

(g)Acting promptly on instructions from a client and providing him written acknowledgements and progress reports;

(h)Assisting clients in paying premium under section 64VB of Insurance Act, 1938 (4 of 1938);

(i)Assisting in the negotiation of the claims;

(j)Maintaining proper records of claims;

(k)Assisting in opening of e-insurance accounts;

(l)Assisting in issuing e-insurance policies; and

(m)Any other function which the Authority may specify.

2.Functions of a re-insurance broker -The functions of a re-insurance broker shall include the following:

(a)Familiarizing himself with the client’s business and risk retention philosophy;

(b)Maintaining clear records of the insurer's business to assist the reinsurer(s) or others;

(c)Rendering advice based on technical data on the reinsurance covers available in the international insurance and the reinsurance markets;

(d)Maintaining a database of available reinsurance markets, including solvency ratings of individual reinsurers;

(e)Rendering risk management services for reinsurance;

(f)Selecting and recommending a reinsurer or a group of reinsurers;
(g)Negotiating with a reinsurer on the client's behalf;
(h)Assisting in case of commutation of reinsurance contracts placed by them;
(i)Acting promptly on instructions from a client and providing it written acknowledgements and progress reports;
(j)Collecting and remitting premiums and claims/refunds within such time as agreed upon; (k)Assisting in the negotiation and settlement of claims;
(l)Maintaining proper records of claims;
(m)Exercising due care and diligence at the time of selection of reinsurers and international insurance brokers having regard to their respective security rating and establishing respective responsibilities at the time of engaging their services;
(n)Creation of market capacity and facility for new, stressed, emerging and existing business and asset class for and from both direct insurers and reinsurers;
(o)Render preliminary loss advice (PLA) within reasonable time;
(p)Given the nature of business, separate norms need to be followed for Inward and Outward business
a.Inward business
i. Broker to have adequate specific knowledge of the country whose business is being offered like: political stability, economic position, local regulations, tax laws, etc.
ii. Introduce new business/ products depending on the reinsurers business plan and risk appetite
b.Outward business
i. Rating and market credibility of the reinsurer
(q)To ensure prompt collection and remittance of funds, follow up for funds to be initiated sufficiently before the due dates for settlement from cedant to reinsurer and from reinsurer to cedant as relevant;
(r)To comply with the laws and other requirements of the local jurisdiction while arranging insurance/ reinsurance for clients/ insurance companies based outside India; and (s)Any other function which the Authority may specify.

3.Functions of composite broker —(1)A composite broker shall carry out the functions mentioned in clause 1 and 2 above.

(2) In case a composite broker is appointed by a client to act as direct insurance broker he shall not influence the insurer concerned to appoint him as reinsurance broker for arranging reinsurance on the same contract. However, after following a due and transparent process if the insurer appoints the composite broker as a reinsurance broker for arranging reinsurance on the same risk on which the composite broker acted as a direct broker, the composite broker shall ensure that there are proper systems and controls in place to see that the interests of the client and the insurer are not prejudiced.

Insurance Regulatory and Development Authority of India
(Insurance Brokers) Regulations, 2018
SCHEDULE I – Form B
(see regulation 5(1))

APPLICATION FOR GRANT OF CERTIFICATE OF REGISTRATION

Name of the Applicant:

CATEGORY APPLIED FOR:

INSURANCE BROKER - _____

(Mention category as applicable)

Direct (life)
Direct (General)

Direct (Life & General)
Reinsurance
Composite

Instructions for filling up the form:

1.It is important that before this application form is filled in, the regulations made by the Authority are studied carefully.

2. Applicant must submit a duly completed application form together with all appropriate, supporting documents to the Authority.

3.Application for registration will be considered only if it is complete in all respects.

4.Applicant should sign the applications themselves.

5.Information which needs to be supplied in more details may be given on separate sheets which should be attached to the application form.

6.If the applicant is not a company, the information called for in this Form shall be supplied by adapting the requirements suitably.

_____ **1.**

PARTICULARS OF THE APPLICANT

1.1 Name of the Applicant : _____

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

_____

_____

(B)

Pin code: _____ Telephone No: _____

E-mail:_____ Fax No: ----------

Address for Correspondence:

_____

_____

Pin code: _____Telephone No:_____

E-mail:_____ Fax No: _____

C) Addresses of Branch Offices:

_____

_____

_____

D) Name and particulars of the Principal Officer

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

2. ORGANISATION - STRUCTURE

2.1 Status of the Applicant:

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

2.2. Date and Place of Incorporation:

Day Month Year Place

2.3 Scope of business as described in the Memorandum of Association

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

2.4 Details of Indian Promoters

Shareholding as on:_____

Name, address and contact details of Indian Promoters	Aadhaar No. (Individuals)/ PAN No. (Entities)	No. of Shares held	% age of total paid up capital of the company	Foreign Investment? Yes or No, If yes, details

2.5 Details of Indian Investors

Shareholding as on:_____

Name, address and contact details of Indian Investors	Aadhaar No. (Individuals)/ PAN No. (Entities)	No. of Shares held	% age of total paid up capital of the company	Foreign Investment? Yes or No, If yes, details

2.6 Details of Foreign Investors

Shareholding as on:_____

Name, address and contact details of Foreign Investors		No. of Shares held	% age of total paid up capital of the company	

2.7 Particulars of all Directors/Partners/Proprietor:-

Name	Qualification	Experience in Insurance Broking services and related areas	Share in applicant firm /company	Directorship in other companies	Representing Indian Promoter/ Indian Investor/Foreign Investor	DIN No.	Aadhaar No (For Indians/ Passport (For NRIs/ Foreign Directors)

2.8 Name and activities of associate companies/concerns

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

Whether any one or more persons of the associate companies/ concerns are interested in the applicant's business?

2.9 Name and Address of the Principal bankers of the applicant

2.10 Name and address of the statutory auditors:

3. BUSINESS INFORMATION

3.1 Three years business plan document with projected volume of activities and income for which registration sought is to be specifically given.

3.2 3.3 Organization Chart separately showing functional responsibilitie

Key Management Personnel

Name	Address & Contact Details	Qualification	Experience in Insurance Broking services and related areas	Share in applicant firm /company	Directorship in other companies	Key Management Position	Aadhaar No

3.4 Details of infrastructure like office space, equipment and manpo applicant

3.5 Details of IT infrastructure like hardware, software, networking, disaster recovery, business continuity plans, cyber-security, data privacy, virus and hacking protection, security certification, etc available with the applicant

3.6 Details of experience in insurance broking/ consulting/risk management and other services:
(History, major events and present activities (Experience outside India may also be indicated):

3.7 Any other information considered relevant to the nature of services to be rendered by the applicant.

4. FINANCIAL INFORMATION

4.1 Capital Structure

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

4.2 Deployment of Resources (Rs. in lakhs)

Particulars	Year prior to the preceding year of current year (mention the relevant FY)	Preceding year (mention the relevant FY)	Current year (mention the relevant FY)

a)Fixed Assets b)Plant & Machinery c)Office Equipment d) Quoted Investments e) Unquoted Investments f) Details of Liquid Assets			
g) Others			

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

4.3 Income and Profit before Tax (PBT)

Particulars Income and Profit Before Tax	Year prior to the preceding year of current year(mention the relevant FY)	Preceding year(mention the relevant FY)	Current year(mention the re

4.4 Dividend

Particulars	Year prior to the preceding year of current year(mention the relevant FY)	Preceding year(mention the relevant FY)	Current year(mention the re
Amount Percentage			

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

5. OTHER INFORMATION, IF ANY

5.1 Details of all settled and pending disputes:

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

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

6. **Documents attached**:

7.Fee Payment:

Note: A non-refundable fee (depending on the category applied for) and specified in Regulation 9 of these Regulations

Details of Payment: Demand Draft No: ---------- Date: ----------

Name of the Bank:

Other modes of payment:

8. **Undertaking**

8.1 WHETHER ANY PERSON directly or indirectly connected TO APPLICANT HAS BEEN REFUSED FOR THE LICENCE/CERTIFICATE OF REGISTRATION IN THE PAST OR NOT

Name of the Persons	Relationship with the Applicant

For the purpose of thissub-clause, the expression "directly or indirectly connected" means a relative in the case of any individual, and in the case of a firm or a Company or a body Corporate-an associate, a subsidiary, an interconnected undertaking or a group Company of the applicant.

9.DECLARATION

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

1)We hereby apply for registration.

2)We have gone through the Insurance Regulatory and Development Authorityof India(Insurance Brokers) Regulations, 2018 and are satisfied that:

a.We are eligible to apply for the registration as insurance broker.

b.We state that we have truthfully and fully answered the questions above and provided all the information which might reasonably be considered relevant for the purposes of our registration.

form is complete and correct.

d. We undertake that we shall not allow or offer to allow, either directly or indirectly, as an inducement to any person, any rebate of the whole or part of the remuneration or reward earned by us during the registration period.

e. We undertake to service the run-off business on the books at the time of cancellation or non-renewal of registration subject to the applicable norms.

f. We declare that we are not appointed as an insurance agent under section 42 of the Act.

For and on behalf of

_____	_____
(Signature & Name)	(Signature &
Name) {Block Letters}	{Block Letters}
Director	Director
Name of the Applicant	Name of the Applicant
Place:	
	Pl
ace: Date:	
	Da
te:	

Insurance Regulatory and Development Authority of India
(Insurance Brokers) Regulations, 2018

Form C
(see regulation 5(3))

Documentation & Procedural requirements for obtaining Fresh Insurance Broker Certificate of Registration

A. Submission of Completed Application.

a)Submission of relevant information as required in the Schedule I – Form B.

b)Remittance of requisite fee as per category of insurance broker applied by demand draft payable at Hyderabad or through electronic mode, as prescribed under Regulation 9 of these Regulations.

c)Submission of printed copy of applicant's Memorandum and Articles of Association. The main objects of the Memorandum and Articles of Association should be as per Regulations.

d)Ensure compliance of the training requirements as specified in regulation 8 of these Regulations. This is a requirement to be complied with before any application could be considered for grant of Certificate of Registration.

e)Principal Officer: Data pertaining to the Principal Officer as mentioned in Schedule I –Form F along with the FIT and Proper criteria format as mentioned in Schedule I – Form G to be submitted, refer to Regulation 8 for details.

f) Principal Officer to submit a declaration that the applicant (directors/partners, principal officer and key management personnel of the company) are not suffering from any of the disqualifications specified under section 42 D of the Act.

g)Details of Directors/ Partners, Promoter and Key Management Personnel are to be provided in the Form prescribed in Schedule I –Form F with the FIT and Proper criteria format as mentioned in Schedule I – Form G.

h)List of broker qualified personswho will be responsible for soliciting and procuring insurance business along-with their qualifications are to be provided in the Form prescribed in Schedule I – Form F.

i) Details of statutory auditors and Principal Bankers along with the Bank Account Number of applicant.

j) Details of infrastructure including IT infrastructure along with supporting evidence thereof like ownership/ lease agreement papers with regard to office space/ equipment/ trained manpower,etc. for the registered office with photographs of premisesand the future planning for opening branch offices at various locations in the country and the estimated time frame.

k)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.

l) Organization chart giving a complete picture of the company's activities like IT, underwriting, risk assessment, claims settlement, marketing, accounts, back office etc. m)List of experienced personnel inducted from insurance background with good knowledge and experience of working in the areas of risk assessment, underwriting and claims management etc. Submit detailed CV, copies of educational qualifications along with their appointment/joining letters of the people, so selected, to the Authority.

n)Any other information, which is relevant to the nature of services rendered by the applicant for the growth and promotion of insurance business.

o)Any other requirements as deemed necessary by the authority.

B. Signatories.

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

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

C. Personal Presentation

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

Insurance Regulatory and Development Authority of India
(Insurance Brokers) Regulations, 2018

Form D

(see regulation 5(4) and 9)

Fees and Renewal Fees

1. Every insurance broker at the time of application for certificate of registration, pay a non-refundable application fees as set out below:

Category of Insurance broker	Amount of application processing fee payable
Direct broker	Rs.25,000
Reinsurance broker	Rs.50,000
Composite broker	Rs.75,000

2. Every insurance broker shall pay fees as set out below:

Category of insurance broker	Amount of fee payable
Direct broker	Rs.50,000/-after grant of in-principle approval in case of a fresh applicant. In the case of Renewal of Registration, the fee shall be Rs 1,00,000/- for a period of 3 years
Reinsurance broker	Rs.1,50,000/-after grant of in-principle approval in case of a fresh applicant. In the case of Renewal of Registration, the fee shall be Rs 3,00,000/- for a period of 3 years
Composite broker	Rs.2,50,000/-after grant of in-principle approval in case of a fresh applicant. In the case of Renewal of Registration, the fee shall be Rs 5,00,000/- for a period of 3 years

3. The fee payable at (2) above shall be for the validity period of Certificate of Registration. 4. The fees shall be payable by electronic means or Demand Draft in favour of "The Insurance Regulatory and Development Authority of India" payable at Hyderabad.

Insurance Regulatory and Development Authority of India

(Insurance Brokers) Regulations, 2018

SCHEDULE I – Form E

(see regulation 8(2))

Requirement of qualification, training and passing of examination for Principal Officer and Broker Qualified Persons

Part I

Requirements for Principal Officer and Broker Qualified Persons

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Section 1: Minimum Educational Qualifications

==========

(1)-Bachelors degree in Arts, Science, or Social Sciences or Commerce or engineering or law or its equivalent from any institution/ university recognized by any State Government or the Central Government; or

(2)Masters in Business Administration or its equivalent from any institution/ university recognized by any State Government or the Central Government; or

(3)Associate/ Fellow of the Insurance Institute of India, Mumbai; or

(4)Associate/Fellow of the Institute of Risk Management, Mumbai; or

(5)Any post graduate qualification of the Institute of Insurance and Risk Management, Hyderabad; or

(6)Associate/ Fellow of the Institute of Chartered Accountants of India , New Delhi; or

(7)Associate/ Fellow of the Institute of Cost and Works Accountants of India, Kolkata; or

(8)Associate/ Fellow of the Institute of Company Secretaries of India, New Delhi; or (9)Associate/ Fellow of the Institute of Actuaries of India; or

(10) Associate/Fellow of Chartered Insurance Institute, London; or

(11) Chartered Financial Analyst of Institute of Chartered Financial Analyst of India; or (12) Certified Associateship of the Indian Institute of Bankers, Mumbai; or

(13) any other qualification specified from time to time by the Authority.

==========

Section 2: Certification through a Professional Training and Examination:

==========

(a)The Principal Officer and Broker Qualified Persons of the applicant should have completed the prescribed fifty hours of theoretical and practical training from an institution recognised by the Authority from time to time, and should have passed an examination, at the end of the period of training, conducted by the National Insurance Academy, Pune or any other examining body recognised by the Authority.

(b)The theoretical and practical training from an institution recognised by the Authority from time to time as mentioned in (a) above shall be twenty five hours in cases where the principal officer and Broker Qualified Persons of the applicant:

(i) is an Associate/ Fellow of the Insurance Institute of India, Mumbai; or Associate/ Fellow of the Institute of Risk Management, Mumbai; or Associate/ Fellow of the Institute of Actuaries of India; or any post graduate qualification of the Institute of Insurance and Risk Management, Hyderabad; or Associate/Fellow of Chartered Insurance Institute, London; Associate/Fellow of- Institute of Chartered Accountants of India, Institute of Cost Accounts and Works of India, Institute of Company Secretaries of India, Chartered Financial Analyst of ICFAI or any other qualifications as recognized by the Authority from time to time;

(c)The candidate who is covered by (b) above, shall be required to pass the examination within one year from the end of the period of training, conducted by the National Insurance Academy, Pune or any other examining body recognised by the Authority.

Part II

Certificate for Principal Officer and Broker Qualified Person

The Principal Officer and Broker Qualified Person of the applicant shall fulfill the following requirements –

a.The Principal Officer and Broker Qualified Person of the applicant shall have valid certificate issued by NIA, Pune or any other body recognized by Authority.

b.The certificate shall be valid for a period of three years from the date of issue.

c. The certificate issued to the principal officer and the broker qualified person will carry the name of the broker who has sponsored the individual as well the individual's Aadhaar Card No or any other field that may be mandated by the Authority.

d.In case the principal officer orbroker qualified person of an insurance broker wishes to work for any other insurance broker, he shall do so by applying to the body recognized by the Authority through the proposed insurance broker along with a no objection certificate issued by the present insurance broker.

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

g.The data of principal officers and broker qualified persons of insurance brokers shall be shared by NIA, Pune or any other body recognized by the Authority with the Authority in the manner and form as may be specified.

h.In case of Principal Officer or Broker Qualified Person who are qualified and already working with an insurance broker licensed under Insurance Regulatory and Development Authority (Insurance

Brokers) Regulations, 2013, they may continue to work with insurance brokers registered under these regulations.

i. However, the details of such Principal Officers and Broker Qualified Persons shall be provided to NIA, Pune or any other body recognized by the Authority in the manner at the time of making an application for granting registration or within six months from the date of their registration.

j. After receipt of the details, NIA Pune or any other body recognized by the Authority will issue to such Principal Officers or Broker Qualified Persons a certificate as specified above.

Insurance Regulatory and Development Authority of India
(Insurance Brokers) Regulations, 2018

SCHEDULE I – Form F
(see regulation 8(2))

Particulars of Principal Officer/Directors/Partners/Promoters/ Key Management Personnel

Personal details of Principal Officer/ Directors/Partners/ Promoters/ Key Management Personnel	
Full Name	**Mention Mr. / Mrs.**
Address	
Date of Birth	**Phone No**
Nationality	**Cell No**
Position in the Organisation	FAX No
DIN No. (if applicable):	Aadhaar No.:
Current Position held from	**Email id**
	Web Address

Description of Duties / Responsibilities

Qualifications Experience and Achievements

Name of the Institute	Country	Qualifications	Year of Study / Graduation

Professional Qualification.
(See Section 1 below for Mandatory Professional Qualifications)

Present Shareholding in this Company – Position as on _____

Name of the Company	No of shares held	% of shares held in the company

Equity Interest in other Companies / Shareholding held in other companies

Name of the Company	No of shares held	% of shares held in the company

Directorship / Partnership / Proprietor positions held in other companies

Name of the company		Period (from ___ to ___)	

Working Experience

Name of the employer	Nature of Business	Designation	Description of duties	Period

1)I declare that all information given in this application above is true and correct.

2)I declare that I have filled in the FIT and Proper statement and enclosed it along with this form

Signature
Name
Date

Insurance Regulatory and Development Authority of India
(Insurance Brokers) Regulations, 2018

SCHEDULE I – Form G
(see regulation 8(2))
FIT AND PROPERCRITERIA

The applicant should satisfy the Authority that -
a)The Principal Officer is a fit and proper person to be registered;
b)The Principal Officer as defined in regulation2 of these Regulations, is fit and proper person to hold the office;
c)All of its promoters /partners / directors are fit and proper persons;
d)All persons having effective control on the applicant are fit and proper persons to carry out the business.
e)All Key Management Personnel of the applicant are fit and proper

Declaration and Undertaking for Principal Officer/Directors/Partners/Promoters/Key Management Personnel.

'Declaration and Undertaking' prescribed for the purpose of conducting due diligence to determine the 'fit and proper' status of Principal Officer/Directors/Partners/Promoters/Key Management Personnel is given below

A separate form needs to be submitted by each individual.

Name of Applicant / Insurance Broker: _____

I.	**Personal Details**		
		Full Name	
		Position in the entity	
		Date of Birth	
		Educational Qualifications	
		Relevant Background and Experience	
		Permanent Address	
		Present Address	
		E-mail Address / Telephone Number	
		PAN under the Income Tax Act Name and address of Income Tax Circle	
		Aadhaar No.	
		Relevant knowledge and experience in Insurance	
		Any other information relevant to position	
II	**Relevant FIT & Proper Criteria** **If answer is YES to any of the questions; please give full details.**		
	a.	Have you of ever registered or obtained licence from any of the regulatory authorities under any law such as SEBI, RBI, IRDAI, PFRDA, FMC etc.	
	b.	Have you carried on business under any name other than the name stated in this application	
	c.	Have you ever been refused or restricted by any regulatory authority to carry on any business, trade or profession for which a specific licenceor registration or other authorization is required by law.	
	d.	Have you been ever censured or disciplined or suspended or refused permission or licence or registration by any regulatory authority to carry on any business activity	
	e.	Have you been subject to any investigations or disciplinary proceeding or have been issued warning or reprimand by any regulatory authority	
	f.	Have you been convicted of any offence or subject to any pending proceedings under any law	

	g.	Have you been banned from entry at any profession / occupation at any time.	
	h.	Details of prosecution, if any, pending or commenced or resulting in conviction in the past for violation of economic laws and regulations	
	i.	Details of criminal prosecution, if any, pending or commenced or resulting in conviction in the past against you	
	j.	Do you attract any of the disqualifications envisaged under Section 164 of the Companies' Act 2013?	
	k.	Have you been subject to any investigation at the instance of Government department or agency?	
	l.	Have you at any time been found guilty of violation of rules / regulations / legislative requirements by customs / excise / income tax / foreign exchange / other revenue authorities, if so give particulars	
	m.	Have you at any time come to the adverse notice of a regulator such as SEBI, IRDAI, DCA. (Though it shall not be necessary for a candidate to mention in the column about orders and findings made by regulators which have been later on reversed / set aside in toto, it would be necessary to make a mention of the same, in case the reversal / setting aside is on technical reasons like limitation or lack of jurisdiction, etc, and not on merit. If the order of the regulator is temporarily stayed and the appellate / court proceedings are pending, the same also should be mentioned).	
	n.	Has any of your group company/associate company/related party been carrying any licence / registration issued by the IRDAI	
	Any other explanation / information in regard to items I and II and other information considered relevant for judging fit and proper		
	Undertaking		
.	I confirm that the above information is, to the best of my knowledge and belief, true and complete. I undertak Authority fully informed, as soon as possible, of all events, which take place subsequent to my appointme relevant to the information provided above.		
	Place:	Signature	
	Date:	Name	

Insurance Regulatory and Development Authority of India
(Insurance Brokers) Regulations, 2018

SCHEDULE I – Form H
(see regulation 30&regulation 8(2))
CODE OF CONDUCT – Insurance Broker

1.Every insurance broker shall follow recognised standards of professional conduct and discharge their functions in the interest of the clients or policyholders.

2.**Conduct in matters relating to clients relationship**— Every insurance broker shall: (a)conduct its dealings with clients with utmost good faith and integrity at all times; (b)act with care and diligence;

(c)ensure that the client understands their relationship with the insurance broker and on whose behalf the insurance 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. Unless it is specifically mentioned otherwise, the written mandate obtained from the client shall be valid for a period of one year if the mandate has no validity period mentioned. However, in the case of pre-underwritten policies or retail/individual policiesthere is no requirement of obtaining mandate from the client;

(i)obtain written mandate from client to represent the client to the insurer/ reinsurer; and confirm cover to the insurer after effecting re-insurance, and submit relevant reinsurance acceptance and placement slips;

(j)avoid conflict of interest.

(k)Obtain necessary documents required under KYC norms and share with insurance company.

(l)Assist the client in opening e-insurance account.

3.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 insurance brokers as approved by the Authority which has a memorandum of understanding with the Authority;

(b)confirm that he does not employ agents or canvassers to bring in business;

(c)identify itself and explain as soon as possible the degree of choice in the products that are on offer;

(d)ensure that the client understands the type of service it can offer;

(e)ensure that the policy proposed is suitable to the needs of the prospective client; (f)give advice only on those matters in which it is knowledgeable and seek or recommend other specialist for advice when necessary;

(g)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 insurance brokers as approved by the Authority;

(h)explain why a policy or policies are proposed and provide comparisonsin terms of price, cover or service where there is a choice of products;

(i)state the period of cover for which the quotation remains valid if the proposed cover is not effected immediately;

(j)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; (k)explain the procedures to be followed in the event of a loss.

(l)not indulge in any sort of money laundering activities.

(m)ensure that the insurance broker does not indulge in sourcing of business by themselves or through call centers by way of misleading calls or spurious calls.

4.**Conduct in relation to furnishing of information** — Every insurance broker shall: (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.

(c)ensure that the information provided by the client on the basis of which the risk is accepted by the insurer is made part of the proposal form and shared with the client and the insurer. Any wrongful submission of information may be dealt as per the terms and conditions of the insurance contract.

(d)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 notdone so and in case further disclosure is not forthcoming it should consider declining to act further;

(e)explain to the client the importance of disclosing all subsequent changes that might affect the insurance throughout the duration of the policy; and

(f)disclose on behalf of its client all material facts within its knowledge and give a fair presentation of the risk.

5. Conduct in relation to explanation of insurance contract —Every insurance broker shall:

(a)provide the list of insurer(s) participating under the insurance contract and advise any subsequent changes thereafter;

(b)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;

(c)quote terms exactly as provided by insurer;

(d)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;

(e)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;

(f)notify changes to the terms and conditions of any insurance contract and give reasonable notice before any changes take effect;

(g)advise 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

(h)not to favour any particular insurer while arranging insurance contracts to the clients.

6. **Conduct in relation to renewal of policies** — Every insurance broker shall:

(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 affectingthe 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 letters) of all information supplied to the insurer for the purpose of renewal of the contract;

(d)ensure that the client receives the insurer's renewal notice well in time before the expiry date.

7.**Conduct in relation to claim by client**—Every insurance broker shall : -

(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 the claim;

(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 insurer's decision or otherwise of a claim; and give all reasonable assistance to the client in pursuing his claim.

8. Conduct in relation to receipt of complaints — Every insurance broker shall: — (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, including through electronic mode;

(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.

9. 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;

(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 the 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;

(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; and

(i)Assist the client in obtaining / receiving electronic insurance policies.

10. 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 lack of experience or knowledge; and

(h)ensure that all descriptions, claims and comparisons, which relate to matters of objectively ascertainable fact shall be capable of substantiation.

11. Conduct in matters relating receipt of remuneration — Every insurance broker shall:—

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

12. Conduct in relation to matters relating to training —Every insurance broker shall: (a)ensure that its staff, particularly broker qualified persons, are aware of and adhere to the standards expected of them by this code;

(b)ensure that staff, particularly broker qualified persons,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 broker qualified persons engaged by it;

(d)ensure that members of staff, particularly broker qualified persons, are aware of legal requirements affecting their activities; and only handle classes of business in which they are competent;

(e)draw the attention of the client to Section 41 of the Act, which prohibits rebating and sharing of commission or remuneration or reward.

13. **Information and Education common to direct & reinsurance brokers**

a)The insurance broker will support industry education initiatives aimed at explaining insurance to consumers and the community.

b)The insurance broker will make readily available to client:

(i)Up-to-date information on insurance;

(ii)Information to assist insured to determine the level of insurance cover they may require; and

(iii) Information about insurance products and services, and this Code.

14. Every **i**nsurance broker shall display in every office where it is carrying on business and to which the public have access a notice to the effect that a copy of the code of conduct is available upon request and that if a member of the public wishes to make a complaint or requires the assistance of the Authority in resolving a dispute, he may write to the Authority.

15. An insurance broker as defined in these regulations shall not act as an insurance agent of any insurer under section 42 of the Act.

16. Every insurance broker shall abide by the provisions of theInsurance 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.

Insurance Regulatory and Development Authority of India
(Insurance Brokers) Regulations, 2018

Form I

(see regulation 8(2) & regulation 30)

Additional Code of Conduct for Reinsurance Broker and Composite Broker

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

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

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

1. **General (applicable to all contracts of reinsurance)**

a)The insurance broker shall not enter the reinsurance markets either to develop terms for reinsurance cover or to place reinsurance on any risk without the specific written authorization of the insurer insuring the risk or insurer/reinsurer who has been asked to quote terms for the risk.

b)The broker shall not block reinsurance capacity in anticipation of securing an order to place reinsurance.

c)The insurance broker shall provide to the insurer/reinsurer, a true and complete copy of the reinsurance placement slip to be used, before entering the market. The insurance broker shall incorporate any modifications or corrections proposed by the insurer/reinsurer in the placement slip.

d)The insurance broker shall put up to the insurer/reinsurer, all the terms (including the reinsurance commission and brokerage allowed) obtained by it from various reinsurers and indicate the share the lead reinsurer is willing to write at those terms and the expectation of the insurance broker about placement of the required reinsurance at the terms quoted, with acceptable reinsurance security.

e)The insurance broker shall furnish to the insurer/reinsurer, a true copy of the placement slip signed by the lead reinsurer quoting terms, indicating thereon, the signed line of the reinsurer.

f) Where reinsurance on a risk is proposed to be placed with different reinsurers at different terms, the fact that terms for all reinsurers are not uniform, shall be disclosed to reinsurers suitably.

g)Once the insurer/reinsurer has accepted the reinsurance terms quoted, the insurance broker shall place the required reinsurance cover and shall keep the insurer/reinsurer informed about the progress of placement from time to time. In selecting the reinsurers to whom the risk is offered, the insurance broker shall be mindful of the need to use only such reinsurers who have a rating as required by IRDAI(General Insurance –Reinsurance) Regulations,2016 and IRDA(Life Insurance-Reinsurance) Regulations, 2013. Where the reinsurance is over placed, the signing down shall be done in consultation with the insurer/reinsurer in a manner consistent with good market practice.

h)Shall confirm to the insurer the remittance of premium and receipt of the same by the reinsurer concerned within ten days of such remittance.

i) Immediately after completion of placement of reinsurance, the insurance broker may issue aninsurance broker's cover note givingthe terms of cover and the names of reinsurers and the shares placed with each of them. The cover note may contain a listing of all important clauses and conditions applicable to the reinsurance and where the wordings of clauses are not market standard, the wordings to be used in the reinsurance contract shall be attached to the insurance broker's cover note.

j) The insurance broker shall follow up the cover note by a formal signed reinsurance policy document or other acceptable evidence of the reinsurance contract signed by the reinsurers concerned, within one month of receipt of reinsurance premium.

k)The insurance broker shall have a security screening procedure in-house or follow credit ratings given by recognized credit rating agencies and answer without any delay, any questions raised by the insurer about the credit rating of one or more reinsurers. Where the insurer/reinsurer declines to accept a particular reinsurer for whatever reason and asks the insurance broker to replace the security before commencement of risk, the insurance broker shall do so promptly and advise the insurer/reinsurer of the new reinsurer brought on the cover.

2. **Placement of Proportional Treaty or Non-proportional Treaty**

a)The insurance broker invited to place a proportional treaty shall prepare the treaty offer slip and supporting information with the cooperation of the insurer and secure the insurer's concurrence to the slip and information before entering the market.

b)Where a reinsurance treaty is placed at different terms with different reinsurers, the fact that such is the practice shall be made known to all the reinsurers suitably.

c)Where a reinsurer accepts a share in a treaty subject to any condition, the conditions shall be made known to the ceding insurer and its agreement obtained before binding the placement.

d)The insurance broker shall advise the progress of placement of the treaty from time to time. Immediately after completion of placement, the insurance broker shall issue a cover note setting out the treaty terms and conditions and list of reinsurers with their shares.

Where a treaty is over-placed, the insurance broker shall sign down the shares in consultation with the insurer in a manner consistent with good market practice.

e)The insurance broker shall secure signature offormal treaty wordings or other formal reinsurance contract documentation within three months of completion of placement.

3. **Placement of Foreign Inward Reinsurance**

a)The insurance broker shall ensure that Indian Reinsurer(s) receive the reinsurance premium from the overseas insurer as per the premium payment condition stipulated in the reinsurance contract;

b)The insurance broker shall not enter the Indian reinsurance markets either to develop terms for reinsurance cover or to place reinsurance on any risk without the specific written authorization of the overseas insurer insuring the risk or insurer who has been asked to quote terms for the risk.

c)The insurance broker shall provide to the Reinsurer in India, a true and complete copy of the placement slip to be used, before committing any terms to the overseas insurer. The insurance broker shall incorporate any modifications or corrections proposed by the Reinsurer in the placement slip.

d)The insurance broker shall put up to the overseas insurer, all the terms (including the reinsurance commission and brokerage allowed) obtained by it from various Indian reinsurers and indicate the share the reinsurer(s) is willing to write at those terms and the expectation of the insurance broker about placement of the required reinsurance at the terms quoted, with acceptable reinsurance security.

e)The insurance broker shall furnish to the overseas insurer, a true copy of the placement slip signed by the Indian reinsurer quoting terms, indicating thereon, the signed line of the reinsurer.

f) Where reinsurance on a risk is proposed to be placed with different reinsurers at different terms, the fact that terms for all reinsurers are not uniform, shall be disclosed to reinsurers suitably

g)The insurance broker shall provide complete information as desired by the Indian reinsurer(s) to process the claim arising out of any Inwards business.

4. **Reinsurance business placed with overseas reinsurers**

a)The insurance broker shall ensure that business is placed with only those overseas Reinsurers which are approvedbythe Authorityunder Guidelines on Cross Border Reinsurers;

b)The Reinsurance broker shall ensure the compliance of any taxation, foreign exchange, Anti

Money laundering or any other applicable statutory laws at the time of placing the reinsurance business.

c)Reinsurance broker shall ensure that,while placing reinsurance business of a foreign insurer with any other foreign insurer/reinsurer,they comply with the applicable Laws of those jurisdictions.

5.Responding to Catastrophes and Disasters

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

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

a)provide the list of Reinsurer(s) participating under the Reinsurance contract and advise any subsequent changes thereafter;

b)explain all the essential provisions of the cover afforded by the policy recommended by him so that, as far as possible, the prospective insurerunderstands what is being purchased;

c)quote terms exactly as provided by Reinsurer;

d)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;

e)provide the insurer/reinsurer with prompt written confirmation that Reinsurance has been effected. If the final policy wording is not included with this confirmation, the same shall be forwarded as soon as possible; and

f) notify changes to the terms and conditions of any Reinsurance contract and give reasonable notice before any changes take effect.

Insurance Regulatory and Development Authority of India
(Insurance Brokers) Regulations, 2018

SCHEDULE I – Form J
(see regulation 10)
CERTIFICATE OF REGISTRATION

Registration No:

1. 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 certificate of registration to

   _____

   to act as _____ broker
   (Mention details of category)

   under that Act.

2. Registration Code for the insurance broker is

   _____

3. This certificate of registration shall be valid from _____ to _____

4. This certificate of registration is subject to the Act, Insurance Regulatory and Development Authority Act, 1999 (41of 1999) and Insurance Regulatory and Development Authority of India (Insurance Brokers) Regulations, 2018 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 of India

Insurance Regulatory and Development Authority of India
(Insurance Brokers) Regulations, 2018

SCHEDULE I – Form K
(see regulation 14(1))

APPLICATION FOR GRANT OF RENEWAL OF REGISTRATION

Instructions for filling up the form:

1.It is important that before this application form is filled in, the regulations made by the Authority are studied carefully.

2.Applicant must submit a duly completed application form together with all appropriate, supporting documents to the Authority.

3.Application for renewal of registration will be considered only if it is complete in all respects. 4.Applicant should sign the applications themselves.

5.Information which needs to be supplied in more details may be given on separate sheets which should be attached to the application form.

6.If the applicant is not a company, the information called for in this Form shall be supplied by adapting the requirements suitably.

1.PARTICULARS OF THE APPLICANT

1.1 Name of the Applicant : _____

1.2(A) Address -Principal Place of business / Registered Office. (Any change? If yes, Please provide the new/ latest address along-with Authority approval)

_____
_____

Pin code: _____ E-mail:_____

Telephone No: _____

Fax No: _____

(B) Address for Correspondence: (Any change? If yes, Please provide the new/ latest address along-with Authority approval)

_____
_____
_____

Pin code: _____Telephone No:_____

E-mail:_____ Fax No: _____

(C) Addresses and contact details of Branch Offices:

S.No.	Branch Code	Address	Phone No./ e-mail	Name of Branch In-charge	No. of Broker Qualified Person	Total Income

D) Is there a change in name and particulars of the Principal Officer? (If yes, Please provide details)

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

2. ORGANISATION - STRUCTURE

2.1 Is there a change in status of the Applicant? (If yes, Please prov

limited company-Private/Public, partnership, others. If listed, names of Stock Exchanges and latest share price to be given)

2.2 Is there a change in details of Indian Promoters?(If yes, Please provide details)

Shareholding as on:_____

Name, address and contact details of Indian Promoters	Aadhaar No. (Individuals)/ PAN No. (Entities)	No. of Shares held	% age of total paid up capital of the company	Foreign Investment? Yes or No, If yes, details

2.3 Is there a change in details of Indian Investors? (If yes, Please provide details)

Shareholding as on:_____

Name, address and contact details of Indian Investors	Aadhaar No. (Individuals)/ PAN No. (Entities)	No. of Shares held	% age of total paid up capital of the company	Foreign Investment? Yes or No, If yes, details

2.4 Is there change in details of Foreign Investors? (If yes, Please provide details)

Shareholding as on:_____

Name, address and contact details of Foreign Investors		No. of Shares held	% age of total paid up capital of the company

2.5 Is there a change in particulars of Directors/Partners/Proprietor? (If yes, Please provide details)

Name	Qualification	Experience in Insurance Broking services and related areas	Share in applicant firm /company	Directorship in other companies	Representing Indian Promoter/ Indian Investor/ Foreign Investor	DIN No.	Aadhaar No (For Indians/ Passport (For NRIs/ Foreign Directors)

2.6 Is there a change in name and activities of associate companies/ concerns? (If yes, Please provide details)

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

Whether any one or more persons of the associate companies/ concerns are interested in the applicant's business?

2.7 Is there a change in name and Address of the Principal bankers of the applicant? (If yes, Please provide details)

2.8 Is there a change in name and address of the statutory auditors? (If yes, Please provide details)

3. BUSINESS INFORMATION

3.1 Three yearsbusiness plan document with projected volume of activities and income (including anticipated) for which renewal of registration sought is to be specifically given.

3.2 Is there a change in particulars of Key Management Personnel? (If yes, Please provide details)

Name	Address & Contact Details	Qualification	Experience in Insurance Broking services and related areas	Share in applicant firm /company	Directorship in other companies	Key Management Position	Aadhaar No

3.3 Is there change to infrastructure like office space, equipment and manpower available with the applicant? (If yes, Please provide details)

3.4 Is there change to IT infrastructure like hardware,software, networking, disaster recovery, business continuity plans, cyber-security, data privacy, virus and hacking protection, security certification, etc available with the applicant? (If yes, Please provide details)

3.5 Any other information considered relevant to the nature of services rendered by the applicant.

4. FINANCIAL INFORMATION

4.1 Capital Structure (Rs. in lakhs)

Capital Structure	Year prior to the preceding year of current year	Preceding year	Current year
a)Authorized Capital b)issue capital c)Paid-up capital d)Free reserves (excluding re- valuation reserves)			
e)Total (c) + (d)			

Note: - 1. In case of LLPs, please indicate capital minus drawings and/or loans to partners. 2. In case of LLPs, please indicate the financial position, means and net worth of the partners.

4.2 Deployment of Resources (Rs. in lakhs)

Particulars	Year prior to the preceding year of current year (mention the relevant FY)	Preceding year (mention the relevant FY)	Current year (mention the relevant FY)

a)Fixed Assets b)Plant & Machinery c)Office Equipment d)Quoted Investments e)Unquoted Investments f) Details of Liquid Assets g)Others			

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

4.3 Major Sources of Income: (Rs. in lakhs)

Particulars	Year prior to the preceding year of current year (mention the relevant FY)	Preceding year (mention the relevant FY)	Current year (mention the relevant FY)
a) Life Insurance i) Remuneration ii) Reward iii) Risk Management Services iv) Claims Consultancy services v) Investment Income b) General Insurance including stand-alone health insurance i) Remuneration ii) Reward			
iii) Risk Management Services iv) Claims Consultancy services v) Investment Income c) Reinsurance i) Remuneration ii) Reward iii) Risk Management Services iv) Claims Consultancy services v) Investment Income Others (Pls specify)			

4.4 Income and Profit before Tax (PBT) (Rs. lakhs)

Particulars Incomeand Profit Before Tax	Year prior to the preceding year of current year(mention the relevant FY)	Preceding year(mention the relevant FY)	Current year(mention the rel

4.5 Dividend (Rs. In lakhs)

Particulars	Year prior to the preceding year of current year(mention the relevant FY)	Preceding year(mention the relevant FY)	Current year(mention the relevant FY)
Amount Percentage			

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

5. OTHER INFORMATION, IF ANY

5.1 Details of all settled and pending disputes:

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

5.2 Details of penalties/ warnings/ etc levied by the Authority in last

5.3 Details, if any,of any economic offences by the applicant or any

Directors, or key managerial Personnel in the last three years.

6. **Documents attached**:

7. Fee Payment:

Note: A non-refundable fee (depending on the category applied for) and specified in Regulation 14 and Schedule –I –

Form Dof IRDA of India (Insurance Brokers) Regulations, 2018

Details of Payment: Demand Draft No: ---------- Date: ----------

Name of the Bank:

Other modes of payment: RTGS/ NEFT/ Electronic Mode

8. **Undertaking**

8.1 WHETHER ANY PERSON directly or indirectly connected TO APPLICANT HAS BEEN REFUSED FOR THE LICENCE/CERTIFICATE OF REGISTRATION IN THE PAST OR NOT

Name of the Persons	Relationship with the Applicant	Training Details

For the purpose of this sub-clause, the expression "directly or indirectly connected" means a relative in the case of any individual, and in the case of a firm or a Company or a body Corporate-an associate, a subsidiary, an interconnected undertaking or a group Company of the applicant.

9.DECLARATION

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

1)We hereby apply for renewal of certificate of registration.

2)We have gone through the Insurance Regulatory and Development Authorityof India(Insurance Brokers) Regulations, 2018 and are satisfied that:

a. We are eligible to apply for renewal of certificate of registration.

b. We state that we have truthfully and fully answered the questions above and provided all the information which might reasonably be considered relevant for the purposes of renewal of our certificate of registration.

form is complete and correct.

d. We undertake that we shall not allow or offer to allow, either directly or indirectly, as an inducement to any person, any rebate of the whole or part of the remuneration or reward earned by us during the registration period.

e. We undertake to service the run-off business on the books at the time of cancellation or non-renewal of certificate of registration.

f. We declare that we do not possess an insurance agent or insurance intermediary certificate of registration under section 42 and 42D of the Act.

For and on behalf of

_____	_____
(Signature & Name)	(Signature & Name)
{Block Letters}	{Block Letters}
Director	Director
Name of the Applicant	Name of the Applicant
Place:	Place:
Date:	Date:

Insurance Regulatory and Development Authority of India

(Insurance Brokers) Regulations, 2018

Form L

(see regulation 14(8))

CERTIFICATE OF RENEWAL OF REGISTRATION

Registration No:

1.The Certificate of Registration of M/S _____ Category _____Broker is hereby renewed under Regulation14 of the IRDAI (Insurance Brokers) Regulations, 2018, and the Insurance Act, 1938 (4 of 1938).

2.Issued at Hyderabad on _____.

_____day of _____Two thousand

3.This Certificate of Registration shall be valid from _____ to _____.

4.This Certificate of Registration is issued subject to the condition that the applicant shall comply with all the provisions of the Insurance Act, 1938, Insurance Regulatory and Development Authority Act, 1999 (41 of 1999) the Rules or regulations made thereunder and the Guidelines, Circulars,& Directions issued by the Authority from time to time.

Place:

By Order

Date :

For and on behalf of

Insurance Regulatory and Development Authority of India

Insurance Regulatory and Development Authority of India

(Insurance Brokers) Regulations, 2018

Form M
(see regulation 14 (9))

Form 1. Schedule I – Form K (Renewal form) duly filled in.

2. DD or payment using electronic mode towards renewal fee.

3. Renewal checklist duly signed by a Director/Partner and the Principal Officer of the Company. 4. Shareholding pattern of the company as of now and at the time of previous renewal duly certified by CA as per Schedule I – Form N.

5. Renewal training certificate for 25 Hrs. undergone by the Principal Officer and Broker qualified persons.

6. Undertaking duly signed by a Director/Partner and the Principal Officer of the Company as per Schedule I – Form O.

7. List of Broker Qualified Persons along-with the Branch Office they are reporting

8. Business premium figures and list of top 10 clients year-wise for the last three years. 9. Certificate from CA certifying compliance of Regulation 33in respect of Reinsurance/ Composite Insurance Brokers.

10. Any other document specific to the applicant.

Insurance Regulatory and Development Authority of India

(Insurance Brokers) Regulations, 2018

SCHEDULE I – Form N

(see regulation 14 (9))

Format of Share holding Pattern

S.No	Name of the Share holder	Promoter/ Investor/ Foreign Investor	At the time of registration/ last renewal whichever is later (as on…….)		At the time of renewal application		Remarks
			No. of shares held	Percentage of Paid up share capital	No. of shares held	Percentage of Paid up share capital	

Insurance Regulatory and Development Authority of India

(Insurance Brokers) Regulations, 2018

SCHEDULE I – Form O
(see regulation 14(9))

Undertaking Format

Ref. No. Date

Insurance Regulatory and Development Authority of India
HYDERABAD

Sir,

UNDERTAKING

We hereby submit the following undertaking and confirm as under that:

1.There is no intervention by any other Regulatory Authority on the Promoters / Management / Applicant Company as on the date (If there is any intervention, details of the intervention to be furnished).

2.The company has ___ no. of persons in employment as on date and will ensure to employ a minimum of 2 broker qualified persons in employment, during the process of application, who have the necessary qualifications specified in Schedule I-Form-E and necessary experience to conduct the business of insurance broker under Reg. 8(2)(c).

3.No Director / Partner/Principal Officer / Employee / person directly or indirectly connected with the Applicant Company, has been refused in the past the grant of a registration by the Authority.

4.The Principal Officer and Broker qualified persons havenot violated the code of conduct as specified under Schedules I- Form H and

Form-I, whichever is applicable, of the IRDAI (Insurance Brokers) Regulations, 2018.

5.The Applicant Company will comply with Regulation 8(2) (j) confining to Main Objects of the Memorandum of Association filed with the Authority.

6.The Principal Officer is appointed exclusively to carryout the functions of the Insurance Broker under Regulation 4of IRDAI (Insurance Brokers) Regulations, 2018and is neither holding any full-time Directorship / Employment / Assignment in nor represents, either on full time or on part time basis, any other Insurance related or any other entity.

7.The directors/ partners and employees of the company holding any directorship / employment in or representing any other insurance related entity do not have conflict of interests.

8.The Office Premises of the Insurance Broker and its branches are and will be exclusively used for Insurance Broking Business only and no other activity will be carried on.

9.We have assisted the clients in paying the premium as per sec. 64 VB of the Insurance Act, 1938 and have not paid the premium on behalf of the clients, all the times.

10. We have not given any rebates of the whole or part of the commission or remuneration or reward payable or premium shown either directly or indirectly in compliance with sec. 41 of Insurance Act, 1938.

11. We confirm that the minimum capital requirement is not diluted by its use in buying shares and securities as also keeping Inter Corporate Deposits and giving loans etc.

12. We confirm that the functions as specified in Regulation 4 of IRDAI (Insurance Brokers) Regulations, 2018have been complied with during the Registration period.

13.[5]**[***]**.

14. We confirm that the company has complied with the paid-up capital and networth requirements as laid down by the Authority during the Registration period.

15. We confirm that the company has maintained a professional indemnity policy as required by the Authority during the Registration period.

16. We confirm that the company has complied with the segregation of insurance monies for its reinsurance related activities as required by the Authority during the Registration period.

We confirm that the above statements are true to the best of our knowledge and belief.

We further undertake to comply with all the applicable Regulations / Rules / Notices / circulars as prescribed by the authority from time to time.

Principal Officer	(Director, other than the PO)
Signature	Signature
Name	Name
Date	Date

Note: Strike out the declaration not applicable and attach relevant information separately.

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[5]Omitted by the Insurance Regulatory and Development Authority of India (Insurance Intermediaries) (Amendment) Regulations, 2019 dated 30th October, 2019 (w.e.f 01.11.2019).*Prior to its omission, Sl. No. 13 read as under:*

"(13)We confirm that the company is complying with Indian Owned and Indian Control requirements as laid down by the Authority during the Registration period."

Insurance Regulatory and Development Authority of India

(Insurance Brokers) Regulations, 2018

SCHEDULE I – Form P
(see regulation 17(1))

Application for Duplicate Certificate of Registration

1.I inform you that our Certificate of Registration No _____has been 1.Lost
2.Destroyed
3.Mutilated

By the following reasons _____

_____ _____

2.Fee payment:

A non-refundable fee of Rs. 1000/- will need to be paid to IRDAI

Payment details:

Demand Draft No: _____Date: _____ Name of the bank: _____

_____

Other modes of payment:

3.Declaration

I hereby apply for the duplicate certificate of registration under regulation 17.

I/we therefore request the authority to kindly issue a duplicate certificate of registration in light of the circumstances explained above.

I _____ solemnly declare and confirm that the particulars given above are true to the best of my knowledge and belief.

Signature of Director 1 Signature of Director 2

Date:

Insurance Regulatory and Development Authority of India
(Insurance Brokers) Regulations, 2018

SCHEDULE I – Form Q

(see regulation 17(2))

DUPLICATE CERTIFICATE OF REGISTRATION

Registration No:

1. 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 certificate of registration to

_____

to act as _____ broker

(Mention details of category)

under that Act.

2. Certificate of Registration Code for the insurance broker is

_____

3. This Certificate of Registration shall be valid from _____ to _____

4.This Certificate of Registration is subject to the Insurance Act, 1938, Insurance Regulatory and Development Authority Act, 1999 (41 of 1999) and Insurance Regulatory and Development Authority of India (Insurance Brokers) Regulations, 2018and 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 of India

Insurance Regulatory and Development Authority of India

(Insurance Brokers) Regulations, 2018

SCHEDULE II – Form R
(see regulation 20 (2))

Manner of calculation of equity capital held by foreign investors

(1)For the purposes of the Act and these Regulations,

a.The Indian promoter, Investor, Indian Investor and Foreign Investor shall have the same meaning as given in Regulation 2 of the IRDA (Registration of Indian Insurance Companies) Regulations, 2000.

b.the calculation of the holding of equity shares by one or more Foreign Investors in the applicant company, shall be made as under and shall be aggregate of:- i. the quantum of paid up equity share capital held by the Foreign Investors including foreign venture capital investors, in the applicant company; and ii. the proportion of the paid up equity share capital held or controlled by such foreign investor(s) either by itself or through its subsidiary companies in the Indian promoter(s) or Indian Investor(s) as mentioned in sub-clause (a) of this Form.

Provided that clause (ii) shall not be applicable to an Indian promoter or Indian investors namely:
(i) a banking company as defined in sub section(c) of section 5 of the Banking Regulations Act, 1949 but does not include a foreign bank or branch thereof functioning in India; (ii) a public financial institution as defined in section 2(72) of the Companies Act, 2013 (18 of 2013);
Explanation: if the Indian promoter is a company as defined in the Companies Act, 2013 (18 of 2013), it shall not be a subsidiary as defined in section 2(87) of that Act

[6][Provided the Chairman, IRDAI may relax the condition of the Indian promoter not being a subsidiary company as defined in the above section of the Companies Act, 2013 subject to merits and conditions, considering the interest of the policyholders and overall growth and development of the insurance sector.]

(2)Every Insurance broker who has been granted registration under these Regulations shall, within 45 days of the end of every quarter, furnish to the Authority a statement indicating changes exceeding 10% of the paid up capital of the promoter.

(3)However, any change in excess of 25% of the paid up capital of the promoters shall be reported to the Authority immediately.

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[6]Inserted by the Insurance Regulatory and Development Authority of India (Insurance Brokers) (First Amendment) Regulations, 2018 dated 21st January, 2019 (w.e.f. 25.01.2019).

Insurance Regulatory and Development Authority of India

(Insurance Brokers) Regulations, 2018

SCHEDULE II – Form S
(see regulation 24 (1))

Maintenance of Professional Indemnity Insurance

(1) The insurance cover must indemnify an insurance broker against

a.any error or omission or negligence on their part or on the part of their employees and directors;

b.any loss of money or other property for which the insurance 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 insurance brokers' employees or former employees.

(2) The indemnity cover —

a.shall be on a yearly basis for the entire period of registration;

b.shall not contain any terms to the effect that 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 maybe permitted by the Authority inspecial cases for reasons to be recorded by it in writing.

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

Category of insurance broker	Limit of indemnity
(a) Direct broker	Two times remuneration received at the end of every financial year subject to a minimum limit of rupees one crore and atleastRs 50 crore, if twice the remuneration limit is equal to or more than Rs 50 crore
(b) Reinsurance broker	Two times remuneration received at the end of every financial year subject to a minimum limit of rupees four crore and atleastRs 75 crore, if twice the remuneration limit is equal to or more than Rs 75 crore
(c) Composite broker	Two times remuneration received at the end of every financial year subject to a minimum limit of rupees five crore and atleastRs 100 crore, if twice the remuneration limit is equal to or more than Rs 100 crore

(4)The un-insured excess in respect of each claim shall not exceed five percent of the capital employed by the insurance broker in the business.

(5)The AOA: AOY limit shall be 1:1

(6)The retroactive date shall begin from the date of grant of license/ certificate of registration.

(7)The insurance policy shall be obtained from any registered insurer in India who has agreed to —

a)provide the insurance broker with an annual certificate containing the name and address, including the registration number of the insurance broker, the policy number, the limit of indemnity, the excess and the name of the insurer as evidence that the cover meets the requirements of the Authority;

b)send a duplicate certificate to the Authority at the time the certificate is issued to the insurance broker ; and

c)inform the broker immediately of any case of voidance, non-renewal or cancellation of cover mid-term.

(8)Every insurance broker shall—

a)inform immediately the Authority should any cover be cancelled or voided or if any policy is not renewed;

b)inform immediately the insurer in writing of any claim made by or against it;

c)advise immediately the insurer of all circumstances or occurrences that may give rise to a claim under 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 the policy.

Insurance Regulatory and Development Authority of India
(Insurance Brokers) Regulations, 2018

SCHEDULE II – Form T
(see regulation 25 (2))

Transfer of shares

1)Registration of transfer

1.The insurance broker shall seek prior approval of the Authorityfor transfer of shares or issue of equity capital of an insurance broker which would result in change in the shareholding, where:

a.After the transfer, the total paid-up capital holding of the transferee in the shares of the insurance broker is likely to exceed twenty percent of its paid up capital; or

b.The nominal value of the shares intended to be transferred by an individual, or, group, constituents of a group or body corporate under the same management, jointly or severally exceeds ten percent of the paidup capital of the insurance broker

2)Application for transfer

The application seeking prior approval of the Authority shall be made in Form TA. The application shall be accompanied by the requisite documents and the details of the transferee as specified in Form TB.

3)Due Diligence

The Authority shall carry out the requisite due diligence of the proposed transfer prior to grant of approval for registration of transfer of shares under the Regulations or for issue of shares to the proposed transferee.

4)Conditions for approval

The Indian promoters shall hold shares in an insurance broker as approved by the Authority

Provided that the Authority shall while according its approval, specify such conditions on promoters as it may consider appropriate, including but not limited to:

a.Infusion of additional capital in proportion of its shareholding or otherwise, at periodic intervals to ensure that the insurance broker is compliant with the net-worth requirements at all times; and

b.Compliance with all regulatory stipulations imposed on the promoters, if any.

5)Foreign Investors

The foreign investors shall hold shares in an insurance broker in accordance with the provisions of Rules, Regulations, and Guidelines issued in this regard.

Provided that the Authority while according approval may prescribe such conditions as it may consider appropriate, including but not limited to:

a.Infusion of additional capital in proportion of its shareholding or otherwise, at periodic intervals to ensure that the insurance broker iscompliant with the net-worth requirements at all times; and

b.Compliance with all regulatory stipulations imposed on the promoters, if any

6)Ceiling on Indian Investors

The investors excluding the foreign investors shall hold shares in an insurance broker subject to the following conditions:

a)Where there are one or more investors in an insurance broker, no investor shall hold shares in an insurance broker exceeding twenty fivepercent of the paid up equity capital of such insurance broker

b)All investors as indicated at (a) above, jointly shall not hold more than twenty five percent of the paid up equity share capital of the insurance broker.

c)While an investor in an insurance broker may be an investor in other insurance brokers, he shall not be a promoter in more than one insurance broker.

Insurance Regulatory and Development Authority of India
(Insurance Brokers) Regulations, 2018

Form TA

(See regulation (25))

Application seeking transfer of shares in Insurance Broker

1.In terms of IRDAI (Insurance Brokers) Regulations, 2018, …… (Name of the Insurance Broker) has been granted Certificate of Registration No…..on……...(date) to carry on insurance broking business.

2.The shareholding of the insurance broker at the time of grant of certificate of registration was as under

S.No.	Promoter / Shareholder	No. of shares held	Per cent of total shareholding
	1…….		
	2……		
	3…….		

3.Post registration of the …… insurance broker, the shares of …… promoters / investors were transferred in favour of …….. post grant of requisite approval of the Authority vide its letter no …….. dated …….. (where applicable)

S.No.	Promoter / Shareholder	No. of shares held	Per cent of total shareholding

4.The……..(Name of the Insurance Broker) hereby seek approval of the Authority in terms of Regulation 25 of the IRDAI (Insurance Brokers) Regulations, 2018 for (i) registration of transfer of shares held by the promoter(s) / investor (s) and / or (ii) allotment of shares on preferential basis through private placement as per details given below:

Sr. No.	Name of the Promoter/ Investor	Prior to transfer of shares		After the transfer of shares		remarks
		No. of shares held	Percentage of Paid up share capital	No. of shares held	Percentage of Paid up share capital held	

Note:

1.If the current shareholding pattern is not the same as the shareholding pattern at the time of registration/ last renewal (whichever is later), the details of the same should also be provided

2.The names of the share holders who do not hold/never held more than 5% should be shown in 'Others' unless they are associated or part of Promoter share holders

On receipt of approval from the Authority, we shall ensure compliance with all regulatory requirements, including but not limited to the Corporate Laws and any other stipulations as may be applicable.

Place:
Date:
(Signature)

Principal Officer
(Name of the Insurance
Broker)

Enclosed: Form TB

Insurance Regulatory and Development Authority of India
(Insurance Brokers) Regulations, 2018

Form TB

I.Documents and the details of the transferee (person buying shares/ investing into the broking company) accompanying the transfer of share application

SI. No.	Particulars	Remarks
1	**Name of the proposed Transferee :** (Name and Full address giving the details of the proposed transferee)	
2.	**Legal Form / Status :**	Individual / LLP/ Partnership firm / Corporate Entity / Bank/ Financial Institution/ Any other (pI Specify)
3.	No. and Date of Incorporation: (Date of Birth in case of Individual)	
4.	Permanent Account Number under the Income Tax Act and name and address of Income Tax circle	
5.	(a) Transferee status :	**Investor/ Promoter**
	(b) Whether the investor and/ or promoter or its group company are also shareholder in an insurance entity. (If yes, then please give complete details)	
	(c) Whether the investor and/or its promoter orits group company is having shareholding in any other insurance entity. (If yes, then please give complete details)	
6.	Letter of Consent of proposed Transferee (Please provide copy of Board resolution approving acquisition in case of Corporate entity)	
7.	Copies of requisite approvals by the relevant jurisdiction / sector regulator as applicable	
8.	Copies of requisite approvals under Foreign Exchange Management Act, 1999 (FEMA)	
9.	Letter of Consent of the proposed Transferee confirming compliance with all stipulations as may be laid down by the Authority.	
10.	Board Resolution of the applicant company seeking to issue shares, if applicable	
11	**Fit and Proper** a.Declaration providing details of civil/criminal/ regulatory action taken/pending against the proposed transferee	
	b.Whether the transferee or the Directors of the transferee have ever been refused (or had revoked) a license or authorisation to carry on any regulated financial business. (If yes, then please give complete details thereof)	
	c. Details of any censure ordisciplinary action initiated by any Government, Regulatory or Professional Body.	

	d.Whether any Governmental, Regulatory or Professional Body has ever investigated any company, firm or organisation with which the Directors and key persons have been associated as a director, officer, manager or shareholder. (If yes, then provide the complete details)	
12.	Details of any Agreement in place / proposed to be entered into with the insurance broking company.	
13.	[7][***].	

[7]Omitted by the Insurance Regulatory and Development Authority of India (Insurance Intermediaries) (Amendment) Regulations, 2019 dated 30th October, 2019 (w.e.f 01.11.2019). *Prior to its omission, Sl. No. 13, read as under: "13. Compliance of provisions of "Indian owned and controlled" (please attach a brief note on the same)".*

II.List of documents to be submitted for consideration of application for transfer of ownership when the transfer is exceeding 20% of the total paid up capital

A.If the proposed buyer is a Corporate entity:

1. A certified copy of resolution of the Board of Directors approving the proposed change in shareholding.
2. A copy of the proposed shareholding pattern and duly certified by CA/ CS 3. A certified copy of the Board Resolution of the transferee to acquire the shares. 4. The details of the monetary consideration for transfer of shares.
5. A certified copy of the shareholding pattern of the transferee.
6. A confirmation, if any of the proposed shareholders is an FII, NRI, PIOs or Foreign Nationals.
7. A confirmation if any of the present directors of the Broking Company are already associated with the transferee.
8. The audited accounts of the transferee for the past three years, along with the certified copies of IT returns.
9. A certificate from the auditors to the effect that the transferee is not an NBFC, if applicable. No Objection Certificate obtained from RBI for acquisition of these shares if transferee is a Non-banking financial company
10. The detailed list and activities of associate companies/ concerns of the transferee. 11. Rationale for the restructuring of the share capital of the insurance broker.
12. An undertaking from the transferee that none of the Directors, Principal Officer and Key management personnel of the applicant company are holding any directorship/ employment in any other insurance related entity(s).
13. Any other document, if so required by the Authority.

B.If the proposed buyer is an Individual:

1.A copy of the proposed shareholding pattern and duly certified by CA/ CS
2.The net worth certificate and the Income Tax returns for the last three financial years of the transferee.
3.The details of the monetary consideration for the transfer of shares
4.A certified copy of resolution of the Board of Directors approving the proposed change in shareholding.
5.Duly Notorized Affidavit for source of funds to be invested in the Company by the transferee/s
6.Any other document, so required by the Authority.

SCHEDULE II – Form U
(see regulation 33 (2))

Manner of dealing insurance monies collected by reinsurance broker or composite broker in case of reinsurance contracts

The insurance money collected by the registered insurance broker shall be dealt with in the following manner:

(a)he shall act as the trustee of the insurance money that he is required to handle in order to discharge their function as a reinsurance broker and for the purposes of this regulation it shall be deemed that a payment made to the reinsurance broker shall be considered as payment made to the reinsurer;

(b)he shall ensure that 'insurance money' is held in an 'Insurance Bank Account' with one or more of the Scheduled Banks or with such other institutions as may be approved by the Authority;

(c)he shall give written notice to, and receive written confirmation from, a bank, or other institution that he is not entitled to combine the account with any other account, or to exercise any right of set-off, charge or lien against money in that account;

(d)he shall ensure that all monies received from or on behalf of an insureris paid into the 'Insurance Bank Account' which remains in the `Insurance Bank Account' to remain in deposit until it is transferred on to the reinsurer or to the direct insurer.

(e)he shall ensure that any refund of premium which may become due to a direct insurer on account of the cancellation of a policy or alteration in its terms and conditions or otherwise shall be collected from the reinsurer and remitted to the direct insurer.

(f)he shall take steps to promptly remit premiums/claims received to reinsurers/insurers/foreign insurance brokers, but not later than by fifteen days or as specified in the Terms of Business Agreement from the date of receipt of the monies into their Insurance Bank Account. Any delay in remittance shall be informed to the reinsurer/insurer/ foreign insurance brokerand shall take their written consent for such delay;

(g)he shall only remove from the 'Insurance Bank Account' remuneration orfees earned which may be transferred to any other account;

(h)he shall ensure that no payment whatsoever is made from `Insurance Bank Account' for the purposes other than those specified in this regulation;

(i)he shall ensure that monies held in `Insurance Bank Account' shall not be held in Fixed Deposits or invested in any instrument by the insurance broker;

(j)he shall take immediate steps to restore the required position if at any time he becomes aware of any deficiency in the required "segregated amount".

(k)He shall ensure any interest earned on the balances of 'Insurance Bank Account' is for the benefit of direct insurer or reinsurer.

Note: The insurance broker shall have to submit a certificate duly certified by a Chartered Accountant on the compliance of each and every provision of these regulations every half-year. In addition, the insurance broker shall submit a certificate every half-year duly certified by a Chartered Accountant on the amount of remuneration or fees earned during the period and any transfers made to any other account;

Insurance Regulatory and Development Authority of India
(Insurance Brokers) Regulations, 2018

SCHEDULE II – Form UA
(see regulation 34(7))

Certificate to be issued by the auditor of the broking company on compliance of the IRDAI (Insurance Brokers) Regulations, 2018to be submitted annually

Name of the Insurance Broker:

Certificate of Registration No.

Category of Registration

Validity of Registration:

Period to which this certificate relates:

We, M/s. _____, the **Auditors** of the broking company M/s…… based on our examination of the books of accounts and verification of other relevant records maintained for the purpose of rendering Insurance broking services for the year ended _____, we confirm that the Company has complied with the provisions, filingsand documentation under the IRDAI (Insurance Brokers) Regulations, 2018to the extent applicable to the Company during the year ended _____.

Name and signature of the **Auditor**
With seal

Date:

Place:

Insurance Regulatory and Development Authority of India
(Insurance Brokers) Regulations, 2018

Form V

(see regulation 34(8))

APPOINTMENT OF STATUTORY AUDITORS & AUDITING OF THE FIRM

Details of the Insurance Broker			
Name of Insurance Broker			
Code Number			
Contact Address		Tel No Cell No FAX Email	
Registration validity from		Registration validity to	
Category			
Name of the Principal Officer			
DETAILS OF AUDITOR			
Name of audit firm			
Date of appointment of the audit firm			
Engagement for the audit relating to Accounting period ended 1st April ____ to 31st March ____ (If operations is for a part period please mention the period)			
Name of audit partner (who will be signing the audit report) ("Signing Partner")			
Is there a change in audit firm or Signing Partner from the preceding engagement?			
If yes, state the reason for the change			

I hereby confirm that the company has taken action on the deficiency if any pointed out by the auditor.

I hereby submit this application and declare that all information given in this application (including any annexes and appendices attached) is true and complete to the best of my knowledge and belief.

Name:

Designation: Principal Officer

Date

Insurance Regulatory and Development Authority of India

(Insurance Brokers) Regulations, 2018

SCHEDULE II – Form W
(see regulation 34(9)

Certificate to be submitted by the insurer duly signed by CEO and CFO in case the remuneration and other payments made to insurance broker exceeds the limits stipulated

"We hereby confirm that we have paid an amount of Rs……. to M/s…….. (name of the Insurance Broker and associates) for the period from …….. to …… under following heads (to be annexed as an attachment) as remuneration or reward towards the business of ___ procured during the FY__ which is in excess of the limits stipulated by the Authority by …..

(amount). The amount includes all payments paid directly or indirectly to this effect."

Signed by

Chief Executive Officer

Place:

Date:

Chief Financial Officer

Note: (1) The attachment shall contain the details of payments made to the insurance broker and its associates (specify the name of the associate) under various heads and shall be signed by both the CEO and CFO of the insurer.

(2) Separate certificates to be submitted for each insurance broker

Certificate to be submitted by the insurance broker duly signed by Principal Officerand CFO of the broking entityon the remuneration and other payments received from the insurer which is in excess of the limits stipulated

"We hereby confirm that we have received an amount of Rs……. from M/s…….. (name of the insurer) for the period from …….. to …… under following heads (to be annexed as an attachment) as remuneration or reward towards the business of ___ procured during the FY__ which is in excess of the limits stipulated by the Authority by ….. (amount). The amount includes all payments paid directly or indirectly to this effect."

Signed by

Principal Officer

Place:

Date:

Chief Financial Officer

Note: 1) The attachment shall contain the details of payments received by the insurance broker and its associates (specify the name of the associate) under various heads and shall be signed by both the Principal Officer and CFO of the insurance broker.

Insurance Regulatory and Development Authority of India
(Insurance Brokers) Regulations, 2018

Form X
(see regulation 36)

Outsourcing of Activities

1.Core Activities

(a) The Insurance broker shall not outsource any of the following activities in any manner whatsoever:

i. the functions of the direct/ reinsurance/ composite broker as given in Schedule I – Form A under Regulation 4.

ii. risk management services unless the broker does not undertake this activity at all

iii. claims consultancy services unless the broker does not undertake this activity at all

2.Responsibilities of the Board of Directors –1) The Board of the insurance broking company shall be responsible for the following functions under these Regulations: The Board of Directors shall put in place an Outsourcing Policy covering the following: a) Framework for assessment of risks involved in outsourcing, including the confidentiality of data, quality of services rendered under outsourcing contracts b)Parameters for determining materiality of outsourcing contracts for the purpose of determining enhanced oversight by the Insurer

c) Parameters for determining the cost-benefit analysis for each Outsourced activity d) Guiding principles for evaluation of the Outsourced Service Provider including its ability and capability to provide the required services

e) Conflict management policy that ensure adherence to the provisions on related party transactions as envisaged in Companies Act, 2013

f) Norms for implementation and review of the Outsourcing Policy, Determining the management's responsibility for approving, determining the consideration amount involved and monitoring the outsourcing arrangements, and delegation of authority within the insurance broker;

g) The degree of due diligence required for other than-material (non-core) Outsourcing activities

h) At least an annual review of the Outsourcing Policy keeping in mind the changes in the internal and external environment impacting the outsourcing arrangements i) Annual review of the summary of the outsourced activities of the insurance broker. j) Approval of material outsourcing contracts as per the threshold limits prescribed in the Outsourcing Policy.

k) Ensuring that the pricing for related party outsourcing arrangements are consistent with accepted arms' length principles as enshrined in the Companies Act, 2013

3.Outsourcing Service Providers: An insurance broker can outsource activity to an entity (other than an individual)only where the activity to be outsourced is more than 5% of the total outsourcing expenditure (Material).

4.**Due Diligence of Outsourcing Service Providers**: 1) An insurance broker shall before outsourcing the activities shall undertake due diligence of outsourcing service providers based on best practices and needs of the broking company such as:

a) Does the main objective of the outsource service provider include activities outsourced.

b) Existence of the outsourcing service provider as projected

c) Competence and experience to perform the activity proposed to be outsourced to it.

d) Assessing the capability of the outsourced Service Provider to employ standards envisaged, while performing outsourced activities.

e) Security and internal controls;

f) Business continuity management;

g) Where considered necessary, insurance brokers shall obtain independent reviews and market feedback on the service provider to supplement its own findings;

2) Due diligence undertaken during the selection process should be documented and evaluated periodically as part of the monitoring and control process of outsourcing.

5.Outsourcing Agreements: 1) Outsourcing arrangements shall be governed by written agreements that are legally binding for a specified period, subject to periodical renewal, if necessary, that clearly describe all material aspects of the outsourcing arrangement, including the rights and obligations of all parties.

2) The outsourcing contracts, inter alia, shall have in place certain clauses or conditions listed below, as may be applicable:

a)Information and asset ownership rights, information technology, data security and protection of confidential information;

b)Guarantee or indemnity from the Outsourcing Service Provider towards his commitment including liability for any failure;

c)Contingency planning of the Outsourcing Service Provider to provide business continuity for the outsourced arrangement;

d)Express clause that the contract shall neither prevent nor impede Insurance broker from meeting its respective regulatory obligations, nor the regulator from exercising its regulatory powers of conducting inspection, investigation, obtaining information from either the Insurance broker or the Outsourcing Service Provider;

e)The Insurance broker shall ensure that the Outsourcing service provider shall not sub-contract, whole or substantial portion of any of the Outsourced activity.

f) The Insurance broker shall factor in the additional risk which flows due to subcontracting at the time of due diligence.

6.**Confidentiality and Security**: The insurance broker shall satisfy itself that the outsourcing Service Provider's security policies, procedures and controls will enable the insurance brokerto protect confidentiality and security of clients' / policyholders' information.

7.**Legal and Regulatory Obligations**: 1) Insurance brokers shall ensure that outsourcing arrangements shall not:

a) diminish their ability to fulfill their obligations to Clients / Policyholders and the Authority

b) impede effective supervision by the Authority.

c) result in their internal control, business conduct or reputation being compromised or weakened

2) These requirements apply irrespective of whether the outsourcing arrangements are entered into with an affiliated entity within the same group as the Insurance broker, or an outsourcing Service Provider external to the group. The Insurance brokershall comply with the provisions of Companies Act 2013 relating to Related Party Transactions. 3) Outsourcing shall not diminish the obligations of an insurance brokerand those of its Board and Principal Officer to comply with the relevant law/s and regulations.

4) The Insurance broker is ultimately accountable for all acts of commission and omission of the outsourcing Service Providers.

5) The Insurance broker's liability shall not in any way be restricted or limited byway of outsourcing.

6) All the outsourcing Service providers engaged by insurance brokersare subjected to the provisions of the Insurance Act,1938, IRDA Act 1999, Rules, Regulations and any other orders issued thereunder.

7) With the objective of avoiding potential conflict of interest, Insurance brokersshall endeavour that the Related Parties of Insurance Brokers registered with the Authority shall ordinarily not be engaged for outsourcing any of the activities.

8) Insurance Brokers shall not outsource any activity that leads to potential conflict of interest with the functions of the Insurance Brokers.

8.Contingency Plans: 1) Insurance Brokers are expected to establish and maintain adequate contingency plans. This includes disaster recovery plans and backup facilities to support the continuation of an outsourced activity with minimal business disruption in the event of reasonably foreseeable events that affect the ability of an Outsourcing Service Provider to continue providing the service.

2) The contingency plans should be appropriate to the potential consequences of a business disruption resulting from problems at the Outsourcing Service provider and should consider contingency plans maintained by the Outsourcing Service Provider and their coordination with the Insurance broker's own contingency arrangements.

3) In particular, contingency plans should ensure that the Insurance broker can readily access all the records necessary to allow it to sustain business operations, meet statutory obligations, and provide any information relating to the outsourced activity as may be required by the Authority.

4) Contingency plans should also be regularly reviewed and tested to ensure that they remain robust, particularly under changing operating conditions.

9.Maintenance of Records: 1) Insurance Brokers are expected to ensure that adequate documentation is maintained to support their satisfaction.

2) The documentation shall support the following aspects:

a)Materiality assessments

b)Adherence to the Insurance Broker's outsourcing policy

c)Cost benefit analysis

d)Due diligence reviews

e)Pricing assessments;

f) Risk evaluation; and

g)The basis used to determine arm's length distance while arriving at the pricing of activities that involve outsourcing with related parties of the insurance broker.

3)The documentation should be available for review by the Board and the Authority as and when required.

4)Such documentation shall be maintained for five years from the end of the contract period by the Insurance brokers.

10. Regulatory Access: 1) Insurance Brokers shall, in all cases, obtain an undertaking from their outsourcing Service providers or include a provision within the Outsourcing agreement, giving authorised representatives of the Authority the right to: -

a)examine the books, records, information, systems and the internal control environment in the Outsourcing Service Provider (or sub-contractor as applicable), to the extent that they relate to the service being performed for the Insurance broker; and

b)access any internal audit reports or external audit findings of the Outsourcing Service Provider that concern the service being performed for the Insurance broker.

11. Reporting Requirements: Insurance brokers shall report all the outsourcing arrangements where annual pay-out per outsourcing service provider is ten lakhrupees or more to their Board of Directors for review.

Insurance Regulatory and Development Authority of India
(Insurance Brokers) Regulations, 2018

SCHEDULE II – Form Y
(see regulation 41)

Manner of Amalgamation, Merger & Acquisition and Transfer of business

1.Every scheme of amalgamation or merger & acquisition or transfer of business under these regulations shall be implemented only after the prior approval of the Authority.

Provided that no Scheme under these regulations may be approved if in the opinion ofthe Authority (i) the scheme is not compliant with any other applicable laws and regulations or (ii) the scheme is not in the best interests of the policyholders;

2.Every proposal for implementation of the scheme of transfer of business under these Regulations shall be jointly submitted by the Insurance Brokers or Insurance Intermediaries to the Authority along with the following documents:

a)draft of the agreement or deed under which it is proposed to effect the transfer of business;

b)balance-sheets of the parties of the transaction. Balance sheet shall be the (i) audited financial statements most proximate to the appointed date and (ii) latest quarter's unaudited financial statements.

c)a synopsis / executive summary of the proposed transaction, and the terms on which such transaction has been contemplated;

d)a report on the manner in which the interest of the policyholders will be protected; and a report on compliance with the applicable laws, including but not restricted to, the Competition Act, 2002 and the employment laws.

e)an undertaking from the transferor that it shall cease to undertake insurance broking activity in the line/s of insurance proposed to be transferred under the scheme.

f) any other undertaking as required by Authority.

3.The transfer shall be effective from such date as shall be specified by the Authority while granting its final approval to the Scheme.

4.The Authority may issue such directions as it deems fit, taking into account the facts and circumstances of each case, its regulatory objectives, the interests of policyholders and orderly growth of the insurance sector, in relation to any sequencing of measures involved in the Scheme being approved by it.

5.Timing-The Authority shall process and pass appropriate order on the application for business transfer as expeditiously as possible from the date of receipt of application for approval.

Insurance Regulatory and Development Authority of India
(Insurance Brokers) Regulations, 2018

SCHEDULE II – Form Z
(see regulation 42(3))

Inspection procedure

1. Notice before inspection —(a) Before undertaking an inspection under regulation 42, the Authority shall give a notice of at least ten days to an insurance broker for that purpose. b)Notwithstanding anything contained in clause 1(a) above, where the Authority is satisfied that in the interests of the policyholders no such notice shall be given, it may, for reasons recorded in writing, direct that the inspection of the affairs of the insurance broker be taken up without such notice.

c)The insurance broker shall allow the inspecting authority to have full access to the premises occupied by such insurance broker or by any other person on its behalf and also extend all facilities for examining books, records, documents and computer data in the possession of the insurance broker.

d)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.

e)It shall be the duty of every such person to give to the inspecting authority all assistance in connection with the inspection which the insurance broker may reasonably be expected to give.

f) 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 registration.

2.**Submission of report to the Authority —** The inspecting authority shall submit an inspection report to the Authority within 30 days of the completion of the inspection.

3.**Communication of findings, etc.—**(a) The Authority shall, after consideration of the inspection report, communicate its findings to the insurance broker. The insurance broker shall within 21 days from the date of receipt of communication respond to the Authority. (b) On receipt of the explanation, if any, from the insurance broker, the Authority may direct the insurance broker to take such measures as it deem fit.

(c) Without prejudice to (b) above, the Authority may issue a notice to the Insurance Broker requiring him to show cause within 21 days from the date of receipt of the notice, why the registration granted to the insurance broker should not be suspended or cancelled or any other action as considered appropriate by the Authority should not be initiated.

(d) The Authority, upon considering the reply to the notice issued under (c) above, may pass an order directing the suspension or cancellation of the registration granted to the insurance broker or pass any other order as deemed appropriate based on the facts and circumstances of the case.

Insurance Regulatory and Development Authority of India
(Insurance Brokers) Regulations, 2018

Schedule III- Form AA
(See Regulation 57(4))

List of documents for Voluntary Surrender of Certificate of Registration by the Insurance Broker

i. The insurance brokershall ensure that, as on date of making the application, annual fee for all the preceding financial years has been paid

ii. A certified copy of resolution of the Board of Directors recording reasons for surrender of registration

iii. A confirmation from the Principal Officer that no fresh business would be placed from the date of their request for surrender of registration

iv. Original Certificate of valid Registration/Licence

v. An undertaking from Directors of the Company to service the existing clients whose policies are in force for a period of six months within which suitable arrangements shall be made by the insurance broker for having the contracts attended to by another registered broker as required.

vi. To notify & inform to the Registrar of Companies and comply with their requirements under Companies Act for deletion of Main Objects of MOA/AOA or produce proof of steps taken to de-register the company with Registrar of Companies.

vii. To submit the statistics on claims, business premium for the preceding three financial years, as may be specified.

viii. To provide the details of every event that has come to the insurance broker'snotice where insurance brokermay become liable to pay damages or compensation to clients, whether covered by the professional indemnity policy or not, giving the following information:

i. Date of occurrence.
ii. Name of client concerned.
iii. Nature of event likely to give rise to a claim.
iv. Brief description of basis of claim.
v. Intimated or estimated amount of claim.
vi. Amount provided by the insurance broker in its books for the claim.
vii. Present status of claim.

i) Any other information, required by the Authority.

Insurance Regulatory and Development Authority of India
(Insurance Brokers) Regulations, 2018

Annexure – I-A
(see regulation 39)

Certificate to be issued by Auditors of the insurance broker on maintenance of capital and networth required under regulations 19 & 22 to be submitted half-yearly

Name of the Insurance Broker:
Certificate of Registration No.

Category of registration:
Validity of registration:

1.We the Auditors of the insurance broker M/s…… having its registered office at …….. have verified the books of accounts and certify that the broking company maintains the capital of Rs……. as at ……..

2.We have computed the net worth of the insurance brokeras per the provisions of the Companies act, 2013 and certify that the networth of the company as at period ending on is Rs…….. . A copy of the certified duly signed and attested by us is attached herewith.

3.We also certify that the foreign investment in the insurance broker as at the same period ended … has not breached the limits prescribed in the IRDAI (Insurance Brokers) Regulations, 2018.

4.We also certify that the broking company is not engaged in any other business and carrying the business of insurance broking exclusively.

5.During the period under review, there is a change/no change in the shareholding for which the company has obtained/not obtained the prior approval of the Authority for such change.

6.We further certify that all the outsourcing arrangement where annual pay-out per outsourcing service provider is Rs. Ten lakh or more (As per Schedule II-

Form-X para-11) has been placed before the board of directors for review.

Name and signature of the Auditor
With seal

Date:

Place:

Insurance Regulatory and Development Authority of India
(Insurance Brokers) Regulations, 2018

Annexure – I-B
(See Regulation 39)

Certificate to be issued by Auditors of the insurance broker on maintenance of Deposit required under regulation 23 to be submitted half-yearly

Name of the Insurance Broker:
Certificate of Registration No.

Category of Registration
Validity of Registration :
Period to which this certificate relates :

We, M/s. _____, the Auditors of the insurance brokerM/s…… having its registered office at …….. have verified the necessary records and certify and confirm that the insurance broker maintains a deposit of Rs……., which is …..% of the minimum capital required under the IRDAI (Insurance Brokers) Regulations, 2018.

We furnish below the details:

1)Name and address of the Bank where deposit is maintained;

2)Date of deposit and date of maturity;

3)Confirm whether any notice is given to the bank, and due acknowledgement taken from the bank, notifying that-

a) the deposit shall have a lien with Authority;

b) the fixed deposit shall not be released to the insurance brokerunless the prior permission of the Authority is obtained;

c) the deposit is not pledged for taking any loan or overdraft facility by the insurance broker

Name and signature of the Auditor
With seal

Date:

Place:

Insurance Regulatory and Development Authority of India
(Insurance Brokers) Regulations, 2018

Annexure – I-C
(See Regulation 39)

Certificate to be issued by Auditors of the Insurance Broker on maintenance of Professional Indemnity Insurance required under regulation 24 to be submitted half-yearly

Name of the Insurance Broker:
Certificate of Registration No.

Category of registration:
Validity of registration:

We have verified the necessary records and certify that the insurance broker has obtained a Professional Indemnity Insurance Policy from ……..(name of the insurance company) as required under regulation 24 of IRDAI (Insurance Brokers) Regulations, 2018. The details of the same are as mentioned below.

1)Name and address of the Insurance Company;
2)Policy No. & Date of commencement of the policy;
3)Date of expiry of the policy;
4)Limit of Indemnity and the total remuneration received during the year; 5)Un-insured excess;
6)Ratio of AOA:AOY

It is also certified that the insurance broker has/has not received any intimation of claim under the policy and the same has/has not been informed to the insurance company which has issued the PI Policy in writing.

Name and signature of the Auditor
With seal

Date:

Place:

Insurance Regulatory and Development Authority of India
(Insurance Brokers) Regulations, 2018

Annexure – I-D
(See Regulation 39)

Certificate to be issued by Auditors of the insurance broker on Remuneration received by the broking company under regulation 26 to be submitted half-yearly

Name of the Insurance Broker:
Certificate of Registration No.
Category of registration:
Validity of registration:
Period to which this Certificate relates:

We have verified their books of accounts and certify that the insurance broker has not received remuneration or reward in excess of what is prescribed in regulation 26of IRDAI (Insurance Brokers) Regulations, 2018 and circulars/regulations issued in the matter.

Name and signature of the Auditor
With seal

Date:

Place:

Insurance Regulatory and Development Authority of India
(Insurance Brokers) Regulations, 2018

Annexure – I-E
(See Regulation 39)

Certificate to be issued by Auditors of the insurance broker on Segregation of Insurance Money required under regulation 33 to be submitted half-yearly

Name of the Insurance Broker:
Certificate of Registration No.

Category of registration:
Validity of registration:
Period to which this Certificate relates :

We have verified the records and certify and confirm the following.

1)That the insurance broker has opened the "Insurance Bank Account" with …….. Bank, in compliance of regulation 33 the details of which are annexed.

2)That the insurance brokerhas given written notice to and received written confirmation from the bank that the insurance brokeris not entitled to combine the account with any other account or to exercise any right of set-off, charge or lien against money in that account.

3)That the Insurance Bank Account/s has/have not been combined with any other accounts. The said account/s are used exclusively for the purposes outlined in the regulations and are not used for general purposes.

4)Thatthe insurance brokerhas only removed remuneration orfees earned from the Insurance Bank Account/s and transferred to their other accounts.

5)That the monies received from direct insurers/reinsurers as part of the reinsurance contracts are kept in the Insurance Bank Account/s and have not been diverted or transferred to any other account, except as per(4) above. The said amounts have been transferred to insurer/reinsurer before the due date as required under the reinsurance contract.

6)That monies held in `Insurance Bank Account' are not held in Fixed Deposits or invested in any other instrument.

Name and signature of the Auditor
With seal
Date:
Place:

Insurance Regulatory and Development Authority of India
(Insurance Brokers) Regulations, 2018

Annexure – I-F
(See Regulation 39)

Certificate to be issued by Auditors of the insurance broker on Segregation of Insurance Money required under regulation 33 to be submitted half-yearly

Name of the Insurance Broker:
Certificate of Registration No.

Category of registration:
Validity of registration:
Period to which this Certificate relates :

We have verified the records and certify and confirm the following.

1)the amount of remuneration or fees earned and which is transferred from 'Insurance Bank Account' to any other account is Rs. ……..during the period ….. to ……..

Name and signature of the Auditor
With seal
Date:
Place:

Insurance Regulatory and Development Authority of India
(Insurance Brokers) Regulations, 2018

[8][SCHEDULE – AA]
(See Regulation 21A)

Undertaking from an insurance intermediary that has majority shareholding of foreing investors I _____ (name of person), Chief Executive Officer (CEO) / Principal Officer (PO) / Managing Director of _____ (name of insurance intermediary), undertake the following: 1. ……. (name of insurance intermediary) is incorporated as a limited company under the provisions of the Companies Act, 2013;

2. ……. (name of person), Chairman of the Board of Directors or ……. (name of person) Chief Executive Officer / Principal Officer / Managing Director of the insurance intermediary (strike out whichever is not applicable) is a resident Indian Citizen;

3. shall take prior permission of the Authority for repatriating dividend;
4. shall bring in the latest technological, managerial and other skills;
5. shall not make payments (other than dividend) to related parties taken as a whole, beyod 10% of the total expenses of the company in a financial year;
6. majority of the directors on the Board are resident Indian citizens;
7. majority of Key management persons are resident Indian citizens.

Signature of the PO/ CEO/ Managing Director]

[8]*Inserted by the Insurance Regulatory and Development Authority of India(Insurance Intermediaries) (Amendment) Regulations, 2019 dated 30th October, 2019 (w.e.f. 01.11.2019).*