

THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY (INSURANCE BROKERS) REGULATIONS, 2013¹

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 (41 of 1999), the Authority in consultation with the Insurance Advisory Committee, hereby makes the following regulations, namely:—

1. Short title and commencement.—(1) These regulations may be called the Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2013.

(2) These regulations shall come into force on the date² of their publication in the Official Gazette and supersede Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2002 with effect from such date.

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

- (a) "Act" means the Insurance Act, 1938 (4 of 1938) as amended from time to time;
- (b) "Advisory Committee" means the Advisory Committee constituted under section 25 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999);
- (c) "Applicant" means an applicant for registration as insurance broker as referred to in these regulations;
- (d) "Authority" means the Insurance Regulatory and Development Authority established under sub-section (1) of section 3 of Insurance Regulatory and Development Authority Act, 1999 (41 of 1999);
- (e) "Composite broker" means an insurance broker who for the time-being licensed by the Authority to act as such, for a remuneration, arranges insurance for its clients with insurance companies and/or reinsurance for its client/s;
- (f) "Direct Broker" means an insurance broker who for the time-being licensed by the Authority to act as such, for a remuneration carries out the functions as specified under regulation 4 either in the field of life insurance or general insurance or both on behalf of its clients;
- (g) "Distance Marketing" for the purpose of these regulations refers to the process of solicitation or sale of insurance products or services where the consumer is physically not present at the point of solicitation or sale or the conclusion of the sale, and the process is accomplished through telephone and/or Short Messaging Services (SMS) and/or e-mail and/or Internet and/or web services;

1. *Vide* Notification F. No. IRDA/Reg/25/83/2013, dated 3rd December, 2013, published in the Gazette of India, Extra., Pt. III, Sec. 4, dated 10th December, 2013.

2. Came into force on 10-12-2013.

- (h) "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 44, to hold an enquiry against an insurance broker;
- (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 39;
- (k) "Insurance broker" means a person for the time-being licensed by the Authority under regulation 15, who for remuneration arranges insurance contracts with insurance companies and/or reinsurance companies on behalf of its clients;

Explanation.—The term "insurance broker" wherever it appears in these regulations shall mean a direct broker, a reinsurance broker or a composite broker, as the case may be, unless expressly stated to the contrary;

- (l) "Person" means—
 - (a) A company formed under the Companies Act, 2013 (18 of 2013) as amended from time to time; or
 - (b) A co-operative society registered under the Co-operative Societies Act, 1912 or under any law for the registration of co-operative societies; or
 - (c) 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
 - (d) Any other person as may be recognized by the Authority to act as an insurance broker;
- (m) "Principal Officer" means.—(i) a director, who is responsible for the activities of the insurance broker in the case of a body corporate; or
 - (ii) the chief executive officer appointed exclusively to carry out the functions of an insurance broker;
- (n) "Regulations" means Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2013;
- (o) "Reinsurance broker" means an insurance broker who, for remuneration, arranges reinsurance for direct insurers with insurance and reinsurance companies;
- (p) "Solicitation" – for the purpose of these regulations is defined as the approach of a client by an insurer or an intermediary with a view to convince the client to purchase an insurance policy;

- (q) "Tele caller" – for the purpose of these regulations is a person engaged by a Telemarketer for the purpose of interacting with clients through distance mode;
- (r) "Telemarketer" for the purpose of these regulations is an entity registered with Telecom Regulatory Authority of India under Chapter III of the Telecom Commercial Communications Customer Preference Regulations, 2010 (as amended from time to time).

(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.

3. Categories of the Insurance brokers.—Application for insurance broker's licence shall be made for any one or more of the following categories, namely:—

- (i) direct broker (life)
- (ii) direct broker (general)
- (iii) direct broker (life & general)
- (iv) reinsurance broker
- (v) composite broker

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

5. Submission of Application for grant of licence.—(i) An application for grant of a licence as an insurance broker shall be made in application form as specified under Schedule IX-Form A of these regulations to the Authority.

(ii) The application for grant of licence shall be made as per regulation 3 above.

(iii) Application for grant of licence should be submitted along with the requisite documents as specified in Annexure I of these regulations.

(iv) Application for grant of licence should be submitted along with the requisite fees as specified in Schedule IV 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 Form A and these regulations and not complying with the requirements and/or directions of the Authority so mandated by it, shall be rejected.

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.

(2) Any applicant, if aggrieved by the decision of the Authority, may apply within a period of thirty days from the date of receipt of such intimation, to the Chairman of the Authority for a reconsideration of its decision.

(3) The Chairman of the Authority shall consider such an application and communicate his decision thereon to the applicant in writing within forty-five days of the receipt thereof.

(4) In case the Chairman of the Authority, after reconsideration of the application (made under sub-regulation (2) above, rejects the application, the applicant may make a fresh application for grant of licence only after one year from the date of such rejection. The Authority may consider such a fresh application on merit.

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 within 30 days from the date of receipt of the communication from the Authority to enable the Authority to process the application.

(3) The applicant along with their principal officer shall, if so required, appear before the Authority for a personal representation in connection with an 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 in terms of regulation 8.

8. Consideration of application.—(1) The Authority while considering an application for grant of a licence shall take into account, all matters relevant to the carrying out of the functions by the insurance broker.

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

- (i) Whether the applicant is suffering from any of the disqualifications specified under sub-section (5) of section 42D of the Act;
- (ii) Whether the applicant has the necessary infrastructure, such as, adequate office space, equipment and trained manpower to effectively discharge its activities;
- (iii) Whether the applicant has in their employment a minimum of two persons who have the necessary qualifications specified in Schedule II and experience to conduct the business of insurance broker and in case applicant has certain branch offices, one person per branch office having the necessary qualifications specified in Schedule II of these regulations and experience to conduct the business of insurance broker.

Note: In case the insurance broker intends to carry on life and general insurance business, then at least one person each shall have relevant

experience in life and general and necessary qualifications specified in Schedule II of these regulations should be present in the company.

In case of exit of a qualified person from any of the branches, the charge can be given to another qualified person on *ad-hoc* basis and the insurance broker shall take necessary steps to appoint a suitably 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 person with necessary qualifications as specified in Schedule II of these regulations is appointed.

- (iv) Whether any person, directly or indirectly connected with the applicant, has, in the past, been refused grant of a licence 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) as amended from time to time or the Competition Act, 2002, as the case may be.

- (v) Whether the applicant fulfills the capital requirements as specified in regulation 9; Net Worth criteria as specified in regulation 11 and deposit requirements as specified in regulation 12.
- (vi) Whether the principal officer of the applicant possesses the required qualification as specified in Schedule II of these regulations. (The information required under Annexure IIA of these regulations shall be submitted by Director(s)/Shareholder(s)/Promoter(s)/Partner(s)/Key Management Personnel, in addition to Principal Officer of the applicant).
- (vii) 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.
- (viii) Whether the Principal Officer/Director(s)/Promoter(s)/Shareholder(s)/Partner(s)/Key Management Personnel are Fit and Proper based on the statement in Annexure IIB of these regulations.
- (ix) Whether the Principal Officer/Director(s)/Promoter(s)/Shareholder(s)/Partner(s) complies with the Fit and Proper guidelines as specified by the Authority.
- (x) Whether the principal officer and/or any other official of the insurance broker has violated the code of conduct as specified in Schedules VIA and VIB, as applicable, of these regulations;

- (xi) that the applicant is not engaged in any other business other than the main objects clause of the applicant;
- (xii) the Authority is of the opinion that the grant of licence will be in the interest of policy-holders;
- (xiii) Whether the promoters/shareholders/partners of the applicant are of sound financial position to make investment in the applicant entity.
- (xiv) Any employee responsible for soliciting and procuring insurance business on behalf on an insurance broker shall also have to fulfill the requirements mentioned in Schedule-II of these regulations and a list of such employees shall be provided to the Authority.

9. Requirements of Capital.—(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	fifty lakhs
Reinsurance broker	two hundred lakhs
Composite broker	two hundred and fifty lakhs.

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

(3) 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 licensed under these regulations;

(5) The aggregate holdings by a foreign company, either by itself or through its subsidiary companies or its nominees, shall not exceed twenty-six per cent of paid-up equity capital of such applicant at any time. For the purposes of these regulations, the calculations of foreign direct investment shall be made in the same manner as specified for an insurer in Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Regulations, 2000, as amended from time to time;

(6) The shares of an insurance broker held as capital shall not be pledged in any form or manner to secure credit or any other facility and shall at all times be unencumbered.

10. Transfer of ownership.—(1) The insurance broker shall not register any transfer of shares or contribution, as the case may be, without the prior written approval of the Authority where after the transfer, the total paid up equity holding or contribution of the transferee is likely to exceed five per cent of their paid up capital or contribution.

(2) Similarly, where the nominal of the value of shares intended to be transferred by any individual, firm, group, constituents of a group or a body corporate under the same management jointly or severally exceeds five per cent of the paid-up capital or the contribution, prior written approval of the Authority shall be obtained.

(3) The beneficial ownership and control of the shares or contribution shall totally and completely rest with the entity/individual approved by the Authority.

(4) The documents required for seeking approval of the Authority for transfer of shareholding are indicated at Annexure VII of these regulations.

11. Maintenance of minimum amount of net worth.—(1) The net worth of an insurance broker shall at no time during the licence period fall below 100% of the minimum capital or contribution prescribed under regulation 9.

(2) In case of non-compliance of sub-regulation (1) above, the insurance broker shall inform the Authority on the steps taken by it to restore the network to 100% of the minimum capital or contribution prescribed under regulation 9.

Note.—The insurance broker is required to submit to the Authority a network certificate duly certified by a Chartered Accountant every half year in the prescribed form.

12. 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 20% of the minimum capital/contribution (as defined in regulation 9(1) above) in fixed deposit, which shall not be released to them without the prior written permission of the Authority:

Provided that 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)(1)(d).

(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.

13. Requirement of 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 licence granted to them by the Authority, as specified in Schedule III of these regulations.

Provided that the Authority shall in appropriate cases allow a newly licensed insurance broker to produce such a guarantee within twelve months from the date of issue of licence.

14. Payment of fees and the consequences of failure to pay fees.—(1) Every applicant eligible for the grant of a licence and renewal of licence shall pay such fees in such a manner and within such a period as specified in Schedule IV of these regulations.

(2) Where an insurance broker fails to pay the annual fees payable under sub-regulation (1), the Authority may suspend the licence, whereupon the insurance broker shall cease to carry on business for the period during which the suspension subsists.

15. Procedure for licensing.—(1) The Authority on being satisfied that the applicant fulfills all the conditions specified for the grant of licence, shall grant a licence as prescribed in Schedule IX-Form B of these regulations and send an intimation thereof to the applicant mentioning the category for which the Authority has granted the licence. The licence 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.

(2) An insurance broker licensed under these regulations for a specified category may also apply for the grant of a licence by the Authority for any other category by fulfilling the requirements of these regulations. However, such application shall be made only after a completion of one year from the grant of a licence in the first instance.

(3) In case a licence issued under regulation 5 of these regulations or issued under any other regulations which were in force prior to the notification of these regulations, is cancelled/surrendered or renewal is rejected by the Authority for the reasons specified therein, the applicant may make a fresh application for grant of licence only after lapse of one year from the effective date of such cancellation/surrender or rejection of renewal of licence, for consideration of the Authority. The Authority may consider such application on merit.

16. Validity of licence.—(1) A licence 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 licence.

17. Rejection of Application.—(1) Where an application for grant of a licence under regulation 5 does not satisfy the conditions set out in regulation 8, the Authority may refuse to grant the licence:

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

(2) The refusal to grant a licence shall be communicated by the Authority within thirty days of such refusal to the applicant stating therein the grounds on which the application has been rejected.

(3) Any applicant, aggrieved by the decision of the Authority, may apply within a period of thirty days from the date of receipt of such intimation, to the Chairman of the Authority for reconsideration of its decision.

(4) The Chairman of the Authority shall consider such an application and communicate his decision thereon to the applicant in writing within forty-five days of the receipt thereof.

(5) In case the Chairman of the Authority, after reconsideration of the application made under sub-regulation (3) above, rejects the application, the applicant can make a fresh application for grant of licence only after one year from the date of final rejection. The Authority may consider such application on merit.

18. Renewal of licence.—(1) The application for renewal of licence shall be submitted to the Authority by the insurance broker in Schedule IX-Form A of these regulations at least thirty days before the expiry of the licence:

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

Provided further that 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 licence upto a period of 60 days of the expiry of licence, on payment of an additional fee of seven hundred and fifty rupees only by the applicant:

Provided further that the application for renewal received after 60 days of the expiry of the licence will be considered only after a lapse of 12 months from the date of submission of the late application. However, during the interregnum, the licence of the insurance broker shall cease to exist and they 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 licence.

(2) No insurance broker shall be allowed to do any fresh insurance business after expiry of the licence, except servicing the existing policy-holders.

(3) The Principal Officer and employees responsible for soliciting insurance business of an insurance broker before seeking a renewal of licence shall have completed at least twenty-five hours of theoretical and practical training, imparted by an institution recognized by the Authority.

(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 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 shall be considered by the Authority on merit.

(7) The licence 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 licence, shall renew the licence in Form C for a period of three years and send intimation to that effect to the applicant.

(9) In case a composite broker is found to have violated the provisions of the regulations in the direct category or reinsurance category of the licence, the Authority may consider renewing the licence only for the category where no major violation is observed.

(10) In case a Direct Broker licensed in both life and general categories is found to have violated regulations in the life or general category of the business, the Authority may consider renewing the licence only for the category where no major violation is observed.

(11) In case a Direct Broker licensed in both life and general categories is not doing any business in life or general category, the Authority may consider renewing the license only for the category where the broker has booked business.

Note.—Documents to be attached with renewal application by insurance brokers as per Annexures IIIA, IIIB and IIIC.

19. Procedure where a renewal of licence is not granted.—(1) Where an application for renewal thereof under regulation 18, does not satisfy the conditions set out in regulation 8, the Authority may refuse to grant the licence:

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

(2) The refusal to grant a licence shall be communicated by the Authority within thirty days of such refusal to the applicant stating therein the grounds on which the application has been rejected.

(3) Any applicant, aggrieved by the decision of the Authority, may apply within a period of thirty days from the date of receipt of such intimation, to the Chairman of the Authority for a reconsideration of its decision.

(4) The Chairman of the Authority shall consider such request and communicate his decision thereon to the applicant in writing within forty-five days of the receipt thereof.

20. Effect of refusal to grant licence.—Any applicant, whose application for renewal thereof under regulation 18 has been refused by the Authority, shall, on and from the date of the receipt of the communication under regulation 19.

(2) cease to act as an insurance broker. He, however, shall continue to be liable to provide services in respect of contracts already entered into through them. Such a service shall continue only upto the period of expiry of those current contracts, details of which shall be disclosed to the Authority on receipt of the communication under regulation 19.

21. Issue of a duplicate licence.—(1) In the event of a licence being lost or destroyed or mutilated, an insurance broker shall submit to the Authority an application alongwith a fee of rupees one thousand requesting for the issue of a duplicate licence and with a declaration giving full details regarding the issue of the licence and its loss or destruction or mutilation.

(2) The Authority, after satisfying itself that the original licence has been lost, destroyed or mutilated, shall issue a duplicate licence in Form R with an endorsement thereon that it is a duplicate one.

22. 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) For the purposes of sub-regulation (1) above, the insurance broker shall have to follow the procedures as laid down in Schedule VIII of these regulations.

23. Sale of Insurance by telemarketing mode.—(1) An insurance broker who intends to engage the services of a telemarketer for the purpose of distribution of insurance products of various insurance companies shall have to abide by the Guidelines on Distance Marketing of Insurance Products issued *vide* circular No. IRDA/ADMN/GDL/MISC/059/04/2011 dated 05-04-2011 and/or any other regulations/guidelines/circulars issued by the Authority from time to time in the matter.

(2) Without prejudice to sub-regulation (1) above, an insurance broker shall have to comply with the following additional conditions for engaging the services of a telemarketer:

- (i) The telemarketer engaged by the insurance broker shall comply with various circulars/guidelines or any other direction issued by Telecom Regulatory Authority of India in the matter;
- (ii) The telemarketer engaged by the insurance broker shall not engage with any other insurer or insurance related entity;
- (iii) In case the insurance broker registers as telemarketer with TRAI, the insurance broker shall be doing telemarketing for the purpose of their insurance broking entity only and shall not act as telemarketer for any other entity;
- (iv) Authorized Verifiers employed by telemarketer/insurance broker shall have to undergo statutory training and pass the examination as required for an insurance broker specified in Schedule II of these regulations;
- (v) An insurance broker engaging a telemarketer shall enter into an agreement with the telemarketer, a copy of which shall be filed with the Authority along with the undertakings in the prescribed format as per Annexure IVA and Annexure IVB of these regulations. Copies of such undertakings shall be in the possession of the insurance broker for inspection by the Authority and also other regulatory bodies;
- (vi) The Authority shall have the power to inspect the premises of the telemarketer or any other premises, which the Authority feels necessary for the verification of records/documents and seek any document/record, record statements of any employee of the telemarketer or make copies of any documents/records at its discretion;
- (vii) The telemarketer shall have to comply with any other terms and conditions as may be prescribed by the Authority from time to time in the matter.

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

(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 be proceeded against.

25. Remuneration.—(1) For life and general insurance – No insurance broker shall be paid or contract to be paid by way of remuneration (including royalty or licence fees or administration charges or in any other form), an amount exceeding the limits as specified/notified by the Authority in the circulars/regulations issued in this behalf and as amended from time to time.

Explanation.—No brokerage can be paid in respect of an insurance where agency commission is payable and likewise, no agency commission can be paid in respect of an insurance where brokerage is payable.

(2) For reinsurance business—

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

(ii) The brokerage charged for a particular case, may be disclosed on request to the insurer before binding cover.

Note.—For the purpose of sub-clause (ii) above, payments of all nature in respect of the particular account, such as risk inspection fees or risk management fees or administration charges, etc., shall be aggregated.

(3) 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.

26. 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 per cent of the premium (quantum, receipts, etc., as the case may be) 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 IRDA (Investment) (5th Amendment) Regulations, 2013.

(2) For insurance brokers promoted by Corporate Houses having an insurance company within their group, not more than 25 percent of the insurances handled by the insurance broker in any financial year shall be placed with the insurance company within the promoter group separately for life and for general insurance business. The insurance brokers falling under this category shall have to abide by the circular No. 063/IRDA/Memo/07-08 dated 18-3-2008 issued by the Authority or any other circular/guidelines issued from time to time in the matter.

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

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

(5) 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.

27. 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 licensed 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 insured. In these circumstances the money collected by the licensed insurance broker shall be dealt with in the manner specified in Schedule V of these regulations.

28. Code of conduct for Insurance brokers.—Every insurance broker shall abide by the Code of Conduct as specified in Schedule VIA of these regulations. In case of a Composite Broker or a reinsurance broker, he shall abide by the additional Code of Conduct specified in Schedule VIB of these regulations.

29. Maintenance of books of account, records, etc.—(1) Every insurance broker shall prepare for every financial year:

- (i) a balance sheet or a statement of affairs as at the end of each accounting period;
- (ii) a profit and loss account for that period;
- (iii) a statement of cash/fund flow;
- (iv) 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) alongwith the auditor's report thereon before 30th September every year 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 ten 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) A certificate confirming the compliance of various regulations shall also form part of Auditors Report;

(7) Every insurance broker shall submit to the Authority the details of statutory auditors engaged by them along with the audited accounts as per Annexure V of these regulations.

30. Submission of half-yearly results.—(1) Every insurance broker shall before 31st October and 30th April each year furnish to the Authority a half-yearly un-audited financial statement containing details of performance, financial position, etc., alongwith the following certificates duly certified by a qualified Chartered Accountant.

(i) 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 9 and 11, as per Annexure VIA of these regulations;

(ii) A certificate to the effect that the insurance broker is maintaining a deposit in compliance of regulation 12, as per Annexure VIB of these regulations;

(iii) A certificate to the effect that a Professional Indemnity Policy is in force in compliance of regulation 13, as per Annexure VIC of these regulations;

(iv) A certificate confirming that the insurance broker has received the remuneration as per the limits prescribed in the regulation 25, as per Annexure VID of these regulations;

(v) 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 27 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 VIE 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 whose business in a financial year is more than Rs. 10 Crores of premium to have a designated Compliance Officer in the matter who will be responsible for the internal controls and systems.

32. Claim Consultancy.—(1) The Authority permits limited claim consultancy by insurance brokers, subject to the following conditions:

- (a) for claims not exceeding Rs. 1 crore provided such claim does not emanate from a policy, which has been placed by the same insurance broker or any other insurance broker.
- (b) before offering the 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.
- (c) the insurance broker may charge fee for such services as may be mutually decided between the insurance broker and the client. However, such fee shall not be expressed as a percentage of the claim.
- (d) the insurance broker shall, in all their dealings with such clients, be governed by the provisions of Code of Conduct as specified in Schedules VIA and VIB, as applicable, of these regulations.
- (e) Any dispute between two or more insurance brokers arising out of such consultancy arrangements shall, in the first instance, be considered by the Insurance Brokers Association of India (IBAI) and thereafter the IBAI shall forward the substance of such dispute together with its recommendation to the Authority for final disposal.
- (f) The Authority will review and decide the norms regarding claims consultancy from time to time.

33. Co-broking.—(1) 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 brokerage payable on the business may be shared among them. In any case, the total of brokerage shared among the insurance brokers together shall not be more than the limits specified in regulation 25.

(2) Each of the direct insurance co-brokers shall be insurance brokers who are licensed to broker 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 including guidelines No. 020/NL/IRDA/06 dated 15th September, 2006.

(3) The manner in which the brokerage is shared among the co-brokers shall be disclosed to the insurer on request. The insurer will be guided by the instructions of the client with regard to payment of brokerage to each co-broker

for their share or to the lead co-broker who will then be responsible to pay the other co-brokers.

(4) 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 used by them.

34. Reinsurance/Composite brokers sharing of Brokerage with a foreign broker for the placement of risks.—(1) In case any insurer/reinsurer licensed in India, utilizes the services of any reinsurance broker for the placement of reinsurance abroad, such placement shall be through a reinsurance or composite broker licensed by the Authority only.

(2) For the purposes of sub-regulation (1) above, a licensed 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 Authority licensed reinsurance/composite broker shall not share more than 50% of the brokerage with the foreign broker for the services obtained from them.

(4) In case of foreign inward reinsurance business to insurers/reinsurers in India, if such placement involves an insurance broker, it shall be through reinsurance/composite broker licensed by the Authority only. However, a foreign broker may enter into suitable arrangement with insurance broker licensed by the Authority to place Foreign Inward Reinsurance and sharing of brokerage may be guided by such arrangement.

35. Single broking licence to one corporate group and dealings with Group companies.—(1) The Authority shall issue only one insurance broking licence in the categories of Direct Broker (Life) and/or Direct Broker (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 IRDA (Investment) (5th Amendment) Regulations, 2013.

(2) Promoter Company of the insurance broker shall give an undertaking that none of the clients within promoter group will be compelled for their insurance requirements. An explicit disclosure of their being a Group company within the same promoter group shall be made in all the communication.

(3) There must be mandatory disclosures of related party transactions with the promoter group in their audited accounts and balance sheet as per accounting standard 18 of ICAI.

36. 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 IRDA licensed insurance brokers from other non-licensed insurance related entities such as consultants, risk managers and alike. The application of the new applicants seeking the broking licence shall not be considered in the absence of the compliance of the nomenclature requirement.

(2) Every licensed insurance broker shall display, in all their correspondences with all stake-holders, their name registered with the Authority, address of the Registered and Corporate Office, IRDA licence number, the category for which

the insurance broker is licensed, validity period of the licence. Insurance brokers are not permitted to use any other name in their correspondence/literature/letter heads without the prior approval of the Authority.

37. Financial penalty for certain violations/breaches.—(1) In case a licensed 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 apply within a period of thirty days from the date of receipt of such intimation, to the Chairman of the Authority for a reconsideration of its decision.

(3) The Chairman of the Authority shall consider such an application and communicate his decision thereon to the applicant in writing within forty-five days of the receipt thereof.

(4) In case the Chairman of the Authority, after reconsideration of the application made under sub-regulation (2) above, rejects the application, the insurance broker shall pay the penalty imposed under sub-regulation (1) above within 15 days of the receipt of the decision of the Chairman of the Authority, failing which their licence may be suspended or cancelled.

38. 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 licence 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:—

- (i) their responsibilities with regard to the placement of an insurance contract;
- (ii) any change in the information or particulars previously furnished, which have a bearing on the licence granted to them;
- (iii) the names of the clients whose insurance portfolio they manage or have managed;
- (iv) 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)(l)(d) 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;

- (i) Change of Principal Officer;
- (ii) Change in Director(s)/Partner(s);
- (iii) Change in name of the company;
- (iv) Change in place of corporate/registered office;
- (v) Change in principal place of business.

(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

- (i) Opening/closing of branch offices;
- (ii) list of broker qualified persons;
- (iii) in respect of a claim under the professional indemnity policy;
- (iv) acquiring of immovable property;

(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 will lead to action, in accordance with the provisions of regulation 41 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 the 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.

39. 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:—

- (i) to ensure that the books of account are being maintained in the manner required;
- (ii) to ensure that the provisions of the Act, rules, regulations are being complied with;
- (iii) 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
- (iv) to investigate the affairs of the insurance broker *suo motu* in the interest of proper development of insurance business or in policy-holders' interest.

(3) The manner in which the inspection will be conducted is specified in Schedule VII of these regulations.

40. 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.

Provided that the person so appointed shall have the same powers of the inspecting authority as are mentioned in regulation 39 and the obligations of

the insurance broker in regulation 39 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.

41. Suspension of licence with notice.—(1) The licence of an insurance broker may be cancelled or suspended 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 licence or during the validity of licence;
- (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 policy-holders 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;
- (i) are found guilty of misconduct or their conduct is not in accordance with the Code of Conduct specified in Schedules VIA and VIB, whichever is applicable;
- (j) fail to maintain the capital requirements in accordance with the provisions of regulation 9;
- (k) fail to pay the fees, penalties imposed or the reimbursement of expenses under these regulations;
- (l) violate the conditions of licence;
- (m) do not carry out their obligations as specified in the regulations;
- (n) they 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 regulation 8.

- (o) the Authority feels 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.

42. Cancellation or suspension of licence without notice.—(1) The licence of an insurance broker may be cancelled or suspended without notice, if they:—

- (a) violate any one or more of the requirements under the code of conduct specified in Schedules VIA and VIB, 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 licence.

(2) in case the licence of an insurance broker is suspended without notice, such licence shall not be cancelled unless an enquiry has been held in accordance with the procedure specified in regulation 44.

43. Publication of order of suspension.—The order of suspension of the licence made under regulation 41 and regulation 42, shall be displayed on website of the Authority and communicated to the insurers, so that registration of new business by the suspended insurance broker is stopped forthwith by the insurers.

- (1) On and from the date of suspension or cancellation of the licence, the insurance broker, shall cease to function 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 he shall make suitable arrangements for having the contracts attended to by another licensed insurance broker.

44. Manner of holding of enquiry after suspension of licence of the insurance broker.—(1) The licence 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 Authority 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 in (9) above; the enquiry officer may seek additional time from the chairman 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.

45. 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 licence granted to them:

Provided that no such notice is required, in case the provisions of regulation 42 are attracted.

(2) The insurance broker shall within twenty-one days of the date of receipt of the show cause notice send a reply to the Authority.

(3) The Authority after considering the reply to the show cause notice shall, as soon as possible, but not later than thirty days from the receipt of the reply, pass such an order as it deems fit.

Provided, however, 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.

(5) Any insurance broker, if aggrieved by the decision of the Authority, may apply within a period of thirty days from the date of receipt of such intimation, to the Chairman of the Authority for a reconsideration of its decision.

(6) The Chairman of the Authority shall consider such an application and communicate his decision thereon to the insurance broker in writing within forty-five days of the receipt thereof.

46. Procedure for Cancellation of licence.—(1) Authority shall issue the final order for cancellation of the licence 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 licence of the insurance broker is outlined in regulation 47.

(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 12.

(4) An insurance broker whose licence 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 licence within which period they shall make suitable arrangements for having the contracts attended to by another licensed insurance broker.

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

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

(7) The insurer shall pay brokerage/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.

47. Publication of order cancellation of licence.—The order of cancellation of the licence made under sub-regulation (3) of regulation 45, 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.

48. Effect of cancellation of licence.—(1) On and from the date of suspension or cancellation of the licence, the insurance broker, shall cease to act as an insurance broker.

(2) An insurance broker however shall continue to service the contracts already concluded through them for a period of six months within which suitable arrangements shall be made by them for having the contracts attended to by another licensed insurance broker.

(3) Another licensed insurance broker who agrees to take over the obligations of policy service can collect brokerage on current contracts which were not collected earlier from insurers, provided the insurance broker undertakes to service the policies through its term.

49. Voluntary Surrender of Licence.—(1) An Insurance Broker licensed under regulation 5 may make an application to the Authority for surrender of their licence. 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 licence.

(3) The insurance broker whose licence is surrendered and accepted by the Authority shall have to make arrangements as specified in regulation 48.

(4) The documents/information required to be submitted for surrender of licence is as per Annexure VIII to these regulations.

50. Power of the Authority to issue clarifications etc.—In order to remove any difficulties in the application or interpretation of these regulations, the Authority may issue clarifications, directions and guidelines in the form of circulars.

51. General.—(1) From the date of commencement of these regulations no person can function as an insurance broker unless a licence has been granted to them by the Authority under these regulations or under Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2002.

- (a) Insurance brokers including the insurance brokers licensed under the Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2002 shall be governed by the provisions of the Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2013 from the date of notification of these regulations.
- (b) The licenses issued under the provisions of the Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2002 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 (Insurance Brokers) Regulations, 2013 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, 2002 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, 2002 shall be governed by the provisions of Insurance Regulatory and Development (Insurance Brokers) Regulations, 2002, till their final disposal.

(3) 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.

SCHEDULE I
 INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY
 (Insurance Brokers) Regulations, 2013
 FUNCTIONS OF DIRECT BROKER/REINSURANCE
 BROKER/COMPOSITE BROKER

(See regulation 4)

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) Providing services related to insurance consultancy and risk management;
- (j) Assisting in the negotiation of the claims; and
- (k) Maintaining proper records of claims;

2. Functions of a reinsurance broker.—The functions of a reinsurance 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 consultancy and 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 with them;
- (i) Acting promptly on instructions from a client and providing it written acknowledgements and progress reports;
- (j) Collecting and remitting premiums and claims 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;

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

SCHEDULE II

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY

(Insurance Brokers) Regulations, 2013

(See regulation 8)

REQUIREMENT OF QUALIFICATION, TRAINING AND PASSING OF EXAMINATION FOR PRINCIPAL OFFICER AND ANY OTHER PERSON RESPONSIBLE FOR SOLICITATION OF INSURANCE

Section 1: Minimum Educational Qualifications

- (a) Bachelors degree in Arts, Science, or Social Sciences or Commerce or its equivalent from any institution/university recognized by any State Government or the Central Government; or
- (b) Bachelor's degree in engineering or its equivalent from any institution/university recognized by any State Government or the Central Government; or
- (c) Bachelor's degree in law or its equivalent from any institution/University recognized by any State Government or the Central Government; or
- (d) Masters in Business Administration or its equivalent from any institution/university recognized by any State Government or the Central Government; or
- (e) Associate/Fellow of the Insurance Institute of India, Mumbai; or
- (f) Associate/Fellow of the Institute of Risk Management, Mumbai; or
- (g) Any post graduate qualification of the Institute of Insurance and Risk Management, Hyderabad; or

- (h) Associate/Fellow of the Institute of Chartered Accountants of India, New Delhi;
or
- (i) Associate/Fellow of the Institute of Cost and Works Accountants of India, Kolkata;
or
- (j) Associate/Fellow of the Institute of Company Secretaries of India, New Delhi;
or
- (k) Associate/Fellow of the Institute of Actuaries of India; or
- (l) Associate/Fellow of Chartered Insurance Institute, London; or
- (m) Chartered Financial Analyst of Institute of Chartered Financial Analyst of India;
or
- (n) Certified Associate ship of the Indian Institute of Bankers, Mumbai; or
- (o) any other qualification specified from time to time by the Authority under these regulations;

Section 2: Certification through a Professional Training and Examination:

- (a) The Principal Officer 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 of the applicant:
 - (i) has been carrying on reinsurance related activity or insurance consultancy for a continuous period of seven years, preceding the year in which such an application is made; or
 - (ii) has for a period of, not less than seven years prior to the application made to the Authority has been a principal underwriter or has held the position of a Manager in any one of the nationalised insurance companies in India; or
 - (iii) 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;
- (c) The candidate who is covered by (b) above, shall be required to pass the 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.

SCHEDULE III

**INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY
(Insurance Brokers) Regulations, 2013**

(See regulation 13)

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 licence;
- 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 shall be permitted by the Authority in special cases for reasons to be recorded by it in writing.

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

Category of insurance broker	Limit of indemnity
(a) Direct broker	three times remuneration received at the end of every financial year subject to a minimum limit of rupees fifty lakhs.
(b) Reinsurance broker	three times remuneration received at the end of every financial year subject to a minimum limit of rupees two crores and fifty lakhs.
(c) Composite broker	three times remuneration received at the end of every financial year subject to a minimum limit of rupees five crores

(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 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 licence 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 insurer immediately of any case of voidance, non-renewal or cancellation of cover mid-term.

(6) Every insurance broker shall—

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

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

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

SCHEDULE IV

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY

(Insurance Brokers) Regulations, 2013

(See Regulation 14)

FEES

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

Category of Insurance broker	Amount of application fee payable
Direct broker	Rs. 20,000
Reinsurance broker	Rs. 25,000
Composite broke	Rs. 40,000

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

Category of insurance broker	Amount of licence fee payable per annum
Direct broker	A sum calculated at the rate of 0.50% of remuneration earned in the preceding financial year subject to minimum of Rs. 25,000 and maximum of Rs. 1,00,000.
Reinsurance broker	A sum calculated at the rate of 0.50% of remuneration earned in the preceding financial year subject to minimum of Rs. 75,000 and maximum of Rs. 3,00,000.
Composite broker	A sum calculated at the rate of 0.50% of remuneration earned in the preceding financial year subject to minimum of Rs. 1,25,000 and maximum of Rs. 5,00,000.

3. The licence fee shall be paid before the 30th of September every year.

4. Every insurance broker shall pay a renewal fee of Rs. 1000 (Rupees one thousand only) along with application for renewal of the licence.

5. The fees shall be payable by an Account Payee draft in favour of "The Insurance Regulatory and Development Authority" payable at Hyderabad.

SCHEDULE V

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY

(Insurance Brokers) Regulations, 2013

(See regulation 27)

MANNER OF DEALING MONIES COLLECTED BY REINSURANCE BROKER OR COMPOSITE BROKER IN CASE OF REINSURANCE CONTRACTS

The money collected by the licensed 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 insured is 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 paid by the reinsurer directly to the direct insurer.
- (f) he shall ensure Interest on recovery/payment received shall be for the benefit of the direct insurer or reinsurer;
- (g) he shall only remove from the 'Insurance Bank Account' charges, fees or commission earned and 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 elsewhere 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".

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 charges, fees or brokerage/commission earned during the period and any transfers made to any other account;

SCHEDULE VIA

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY

(Insurance Brokers) Regulations, 2013

CODE OF CONDUCT – INSURANCE BROKER

(See regulation 28)

1. Every insurance broker shall follow recognised standards of professional conduct and discharge their functions in the interest of the policy-holders.

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;
- (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.

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 comparisons in 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; and
- (k) explain the procedures to follow 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. Ask the client to

carefully check details of information given in the documents and request the client to make true, fair and complete disclosure where it believes that the client has not done so and in case further disclosure is not forthcoming it should consider declining to act further;

- (c) explain to the client the importance of disclosing all subsequent changes that might affect the insurance throughout the duration of the policy; and
- (d) disclose on behalf of its client all material facts within its knowledge and give a fair presentation of the risk.

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

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 affecting the policy, which have occurred since the policy inception or the last renewal date;
- (c) ensure that renewal notices contain a requirement for keeping a record (including copies of 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 invitation 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.
- Provided that the insurance broker shall not take up recovery assignment on a policy contract which has not been serviced through him or should not work as a claims consultant for a policy which has not been serviced through him, except for claims permitted under regulation 32.

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;
- (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; and
- (h) subject to the payment of any monies owed to it, make available to any new insurance broker instructed by the client all documentation to which the client is entitled and which is necessary for the new insurance broker to act on behalf of the client.

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;
- (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) disclose whether in addition to the remuneration prescribed under these regulations, he proposes to charge the client, and if so in what manner;
- (b) advise the client in writing of the insurance premium and any fees or charges separately and the purpose of any related services;
- (c) if requested by a client, disclose the amount of remuneration or other remuneration it receives as a result of effecting insurance for that client. This will include any payment received as a result of securing on behalf of the client any service additional to the arrangement of the contract of insurance; and
- (d) advise its clients, prior to effecting the insurance, of their intention to make any deductions from the amount of claim collected for a client, where this is a recognised practice for the type of insurance concerned.

12. Conduct in relation to matters relating to training.—Every insurance broker shall:

- (a) ensure that its staff are aware of and adhere to the standards expected of them by this code;
- (b) ensure that staff are competent, suitable and have been given adequate training;
- (c) ensure that there is a system in place to monitor the quality of advice given by its staff;
- (d) ensure that members of staff are aware of legal requirements including the law of agency affecting their activities; and only handle classes of business in which they are competent;
- (e) draw the attention of the client to section 41 of the Act, which prohibits rebating and sharing of commission.

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

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 the Insurance Act, 1938 (4 of 1938), Insurance Regulatory And Development Authority Act, 1999 (41 of 1999), rules and regulations made there under which may be applicable and relevant to the activities carried on by them as insurance brokers.

SCHEDULE VIB

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY

(Insurance Brokers) Regulations, 2013

(See regulation 28)

ADDITIONAL CODE OF CONDUCT FOR REINSURANCE BROKER AND COMPOSITE BROKER

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

- (a) A composite insurance broker or reinsurance 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) A reinsurance broker or a composite 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 are rated BBB or higher by a

recognized credit rating agency, as required by regulation 3(9) of IRDA (General Insurance – Reinsurance) Regulations, 2013 and regulation 8(a) of 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) Immediately after completion of placement of reinsurance, the insurance broker may issue a insurance broker's cover note giving the terms of cover and the names of reinsurers and the shares placed with each of them. The cover note may contain a listing of all important clauses and conditions applicable to the reinsurance and where the wordings of clauses are not market standard, the wordings to be used in the reinsurance contract shall be attached to the insurance broker's cover note.
- (i) 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.
- (j) 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) A composite insurance broker or reinsurance broker invited to place a proportional treaty shall prepare the treaty offer slip and supporting information with the co-operation 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 of formal treaty wordings or other formal reinsurance contract documentation within three months of completion of placement.
- (f) 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 ceding insurer about the credit rating of one or more reinsurers. Where the insurer declines to accept a particular reinsurer for whatever reason and asks the insurance broker to replace the security before commencement of the reinsurance period, the insurance broker shall do so promptly and advise the insurer of the new reinsurer brought on the cover.

3. Placement of Foreign Inward Reinsurance:

- (a) The Reinsurance 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 Reinsurance 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 Reinsurance 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 client. The insurance broker shall incorporate any modifications or corrections proposed by the Reinsurer in the placement slip.
- (d) The insurance broker shall put upto 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) Reinsurance broker shall ensure that business is placed with only those overseas Reinsurers which are registered with the Authority;
- (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.

5. Responding to Catastrophes and Disasters:

- (a) The Reinsurance 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 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 client understands 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;
- (f) notify changes to the terms and conditions of any Reinsurance contract and give reasonable notice before any changes take effect;

SCHEDULE VII

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY

(Insurance Brokers) Regulations, 2013

(See regulation 39)

INSPECTION PROCEDURE

1. Notice before inspection.—(a) Before undertaking an inspection under regulation 39, the Authority shall give a notice of 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 policy-holders 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 co-operate with the inspecting officers shall result in suspension of licence.

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 licence 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 licence granted to the insurance broker or pass any other order as deemed appropriate based on the facts and circumstances of the case.

(e) The insurance broker, if aggrieved by the decision of the Authority, may apply within a period of thirty days from the date of receipt of such intimation, to the Chairman of the Authority for a reconsideration of its decision.

(f) The Chairman of the Authority shall consider such an application and communicate his decision thereon in writing within forty five days of the receipt thereof.

SCHEDULE VIII

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY

(Insurance Brokers) Regulations, 2013

(See regulation 22)

SALE OF INSURANCE ONLINE BY INSURANCE BROKERS

Insurance Broker is allowed to offer ONLINE PRODUCTS of insurers with whom it has entered into an agreement for sale through the web portals of the insurer subject to the following conditions.

- (1) The website developed by the insurance broker shall carry the name of the Insurance Broker as licensed by the Authority and usage of any other name or linkage to any other website is prohibited.
- (2) The insurance broker shall prominently display on their website the information relating to their licence number, date of licence and its validity, the category of licence, name of the Principal Officer and its contact details, composition of the board; and other relevant information.
- (3) The website of the insurance broker shall be used exclusively for web aggregation and comparison and of insurance products and online sale of insurance products of insurers with whom the insurance broker has a valid agreement.
- (4) The insurance broker shall not publish, advertise, or provide for display or sale, any other products of any nature or type, other than the insurance products by the insurer with whom the insurance broker has entered into agreement for the sale of online products.
- (5) The website of the Insurance broker shall provide a link to the website of the insurer with whom the insurance broker has entered into an agreement for the ONLINE sale of the product of the Insurer and the online sale by the insurance broker shall be executed only through the website of the Insurer.
- (6) The insurance broker shall ensure that the customer has the choice of viewing products of at least five insurers who are offering similar products for online sale, and selecting the insurer and products of his choice;
- (7) Insurance broker is permitted only to offer the following ranges of products online or any other products range as approved from time to time by the Authority:—
 - (i) Life:
 - (a) Whole Life Policies
 - (b) Term Insurance Products
 - (c) Endowment Products
 - (d) Health Insurance products
 - (e) Retirement—Immediate annuities
 - (f) Retirement—Deferred annuities
 - (g) Children's products

- (ii) Non Life:
 - (a) Home Insurance
 - (b) Motor Insurance
 - (c) Health Insurance
 - (d) Travel Insurance
 - (e) Personal Accident Insurance
 - (f) Rural Insurance
- (8) The insurance broker shall display only those features of the products which are approved under File & Use Guidelines of the Authority. Any information which is detrimental to the interests of the policy-holder or is misleading and is not approved by the Authority shall not be displayed on their websites by the insurance brokers.
- (9) The insurance broker while displaying the product features of various insurers shall not favour any one insurer.
- (10) The templates which are displayed on the insurance broker's website should be mutually agreed to, between the Insurance Broker and the Insurers whose products are compared.
- (11) Product comparisons that are displayed shall be upto date and reflect a true picture of the products.
- (12) The insurance brokers shall display product information purely on the basis of the information obtained from insurers.
- (13) The insurance brokers shall not
 - (i) Display any information pertaining to products or services of other financial institutions/FMCG or any product or service on the website.
 - (ii) Display advertising of any sort, either pertaining to any product or service including insurance product or service, other financial products or service/ or any other product or service on the website.
 - (iii) Operate multiple websites or tie up with other approved/unapproved/unlicensed entities/websites for lead generation/comparison of product etc. *subject to the following exceptions:*
 - Using multiple Domain names or same domain names with suffixes such as .com or .in or .co.in for the primary website of the Insurance Broker used for display of insurance products is allowed provided
 - a. the domain names of primary or secondary or product category specific websites or mobile sites are owned and registered in the name of the Insurance Broker.
 - b. The Insurance Broker informs the Authority in writing about the date of Registration and date of launching of domain names of such websites or mobile sites in the application for grant of licence and thereafter within 15 days from the date of Domain Name Registration and Date of launching respectively in case of any change in the name(s) of the existing websites or new websites.
- (14) The insurance broker shall not charge any additional fees from insurers for displaying their products on their websites;
- (15) The insurance broker may enter into an agreement with the insurer for extending services to the customer/clients of the insurance broker and the agreement shall

- be available with both the insurer and the insurance broker for inspection by the Authority.
- (16) The insurance broker who has entered into an agreement with the insurer may be allowed by the insurers to collect renewal premiums online through the websites of the insurers for the policies procured and serviced by the insurance broker only.
 - (17) The manner of payment of premiums for online sale shall be by way of credit card/debit card/net banking or any other mode as permitted by the Reserve Bank of India from time to time through a payment gateway normally used by the insurer for online sale of insurance policies. The premium has to be directly credited to the Insurer's premium collection account of a designated bank and should not be routed through the bank account of the Insurance Broker in any manner. The insurance brokers shall not accept any cash payments towards premiums for this purpose.
 - (18) On completion of online transaction, for payment of premium and sale of the policy, the insured should be able to generate and save/print the e-premium receipt and preferably Policy document also immediately. Alternatively, the Policy document may be delivered by e-mail/or in hard copy as opted by the insured.
 - (19) The agreements entered into with the insurers for integrating their web portals for sale of products or receipt of premiums online shall not be in any way detrimental to the interests of the policy-holders. The insurance brokers shall not make any promise or commitment to insurers for sale of their products.
 - (20) The insurance broker shall ensure that directions issued by the Authority or any other Authority for compliance of Anti-money laundering matters are adhered to. The insurer shall incorporate the necessary rules and applicable clauses in the agreement to be signed with the insurance broker to this effect.
 - (21) The insurers as well as the insurance broker shall be jointly and severally liable for any breach of provisions of the agreement entered into for this purpose.
 - (22) The insurance broker as well as the insurers shall have to abide by the provisions of Insurance Act, 1938, as amended from time to time, the IRDA Act, 1999 and/or any other Act and regulations/guidelines/circulars/directions issued by the Authority from time to time while selling the insurance products online.

SCHEDULE IX

FORM A

(See regulations 5 and 18)

**INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY
(Insurance Brokers) Regulations, 2013**

APPLICATION FOR GRANT OF LICENCE/RENEWAL OF LICENCE

Name of the Broker:

Licence No:

Category for which Licence is issued:

Date of expiry:

In case of New Application:

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 licence 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.

PARTICULARS OF THE APPLICANT

1.1 Name of the Applicant:

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

.....

.....

Pin code: Telephone No:

E-mail: Fax No:

(B) Address for Correspondence:

.....

.....

.....

Pin code: Telephone No:

E-mail: Fax No:

(C) Addresses of Branch Offices:

.....

.....

(D) Name and Designation of the Principal Officer

.....

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 List of major shareholders (holding 5% and above of applicant directly or along with associates-applicable only to limited companies).

Shareholding as on:.....

Name of shareholder	No. of Shares held	% age of total paid up capital of the company	Foreign Direct Investment Yes or No

2.5 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

2.6 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?

2.7 Name and Address of the Principal bankers of the applicant

2.8 Name and address of the statutory auditors:

3. BUSINESS INFORMATION

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

3.2 Organization Chart separately showing functional responsibilities to be enclosed.

3.3 Particulars of Key Management Personnel

Name	Qualification	Experience with particular reference to Insurance Broking/insurance consulting activities	Date of appointment	Functional areas

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

3.5 Details of experience in insurance broking/insurance consulting/risk management and other services:

(History, major events and present activities (Experience outside India may also be indicated):

3.6 Business handled during the last three years and list of reinsurers with whom more than ten percent of the total reinsurance premium handled, was placed.

Sl. No.	Name	Premium handled		Services Rendered
		Amt.	Percentage of total premium handled by broker	

3.7 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)	Remuneration received as % of premium (mention the relevant FY)
(a) Direct Insurance remuneration			
(b) Reinsurance remuneration			
(c) Advisory fees			
(d) Insurance consultancy			
(e) Investment Income			
(f) Others			

As remuneration received by the insurance broker may vary from risk to risk, please indicate range within which remuneration has been received.

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

Particulars Income 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 relevant FY)

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, 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 Partners/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 of IRDA (Insurance Brokers) Regulations, 2013.

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 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.

8.2 QUALIFICATION & EXPERIENCE DETAILS OF THE PRINCIPAL OFFICER OF THE APPLICANT

Name	Address	Qualifications (including insurance broking exam passing)	Prior Experience (including Insurance Industry)	Previous Employment	Employment Details

8.3 LIST OF EMPLOYEES WHO WILL BE RESPONSIBLE FOR SOLICITING AND PROCURING INSURANCE BUSINESS

Name	Address	Designation	Qualification (including insurance broking exam passing)	Details of the responsibilities

8.4 DETAILS OF THE FIXED DEPOSIT FOR RENEWAL OF LICENCE

Name of the Bank	Address	F.D. Number	Amount held in Deposit	Percentage to initial Capital	Maturity Date

9. DECLARATION

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

I/We hereby apply for licence.

I/We have gone through the Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2013 and am/are satisfied that

I/We am/are eligible to apply for the insurance broker's licence.

I/We state that I/We have truthfully and fully answered the questions above and provided all the information which might reasonably be considered relevant for the purposes of my/our licence.

I/We declare that the information supplied in the application form is complete and correct.

I/We undertake that I/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 earned by me/us during the licence period.

I/We undertake to service the run-off business on the books at the time of cancellation or non-renewal of licence.

I/We declare that I/we do not possess an insurance agent licence under section 42 of the Act.

For and on behalf of

.....
(Signature & Name)
(Block Letters)
Director

.....
(Signature & Name)
(Block Letters)
.....

.....
Name of the Applicant
Place.....
Date.....

Name of the Applicant

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY

(Insurance Brokers) Regulations, 2013

FORM B

(See regulations 5 & 15)

LICENCE

Licence 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 licence to
to act asbroker
(Mention details of category)
under that Act.

2. Licence Code for the insurance broker is

2. This licence shall be valid from to

3. This licence is subject to the Act, Insurance Regulatory and Development Authority Act, 1999 (4 of 1999) and Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2013 and shall not be construed to be in compliance with or in conformity to any other Act, rules or regulations.

Place.....

Date.....

By Order

.....
For and on behalf of

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY
(Insurance Brokers) Regulations, 2013

FORM C

(See regulation 18)

CERTIFICATE OF RENEWAL LICENCE

Licence No:

1. The Licence of M/S Category Broker is hereby renewed under section of the IRDA (Insurance Brokers) Regulations, 2013, and the Insurance Regulatory and Development Authority Act, 1999 (4 of 1999) for the period to
2. Issued at Hyderabad on day of Two thousand
3. This licence shall be valid from to
4. This licence 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 (4 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 AuthorityINSURANCE REGULATORY AND DEVELOPMENT AUTHORITY
(Insurance Brokers) Regulations, 2013

FORM R

(See regulation 21)

DUPLICATE LICENCE

Licence 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 licence to
to act as broker
(Mention details of category)
under that Act.
2. Licence Code for the insurance broker is
3. This licence shall be valid from to
4. This licence is subject to the Insurance Act, 1938, Insurance Regulatory and Development Authority Act, 1999 (4 of 1999) and Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2013 and shall not be construed to be in compliance with or in conformity to any other Act, rules or regulations.

Place.....

Date.....

By Order

.....
For and on behalf of

Insurance Regulatory and Development Authority

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY

Application for Duplicate Licence

1. I agree to inform you that my/our Licence 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 IRDA

Payment details:

Demand Draft No:Date:Name of the bank:

Other modes of payment:

3. Declaration

I hereby apply for the duplicate licence under regulation 21

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

Isolemnly 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.....

ANNEXURE I

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY

(Insurance Brokers) Regulations, 2013

DOCUMENTATION & PROCEDURAL REQUIREMENTS FOR
OBTAINING FRESH BROKER LICENCE

(See regulation 5)

A. Submission of Completed Application

- (a) Submission of relevant information as required in the FORM A.
- (b) Remittance of requisite fee as per category of insurance broker applied by demand draft payable at Hyderabad, as prescribed under regulation 14 of IRDA (Insurance Brokers) Regulations, 2013.
- (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 the IRDA (Insurance Brokers) Regulations, 2013. This is a requirement to be complied with before any application could be considered for grant of licence.

- (e) Principal Officer: Data pertaining to the Principal Officer as mentioned in Annexure IIA along with the FIT and Proper criteria format as mentioned in Annexure IIB to be submitted, refer to regulation 8 for details.
- (f) Principal Officer to submit an affidavit, duly notarized certifying to the effect that the applicant (directors/partners, principal officer and key management personnel of the company) are not suffering from any of the disqualifications specified under sub-section 42D of the Insurance Act, 1938.
- (g) Details of Directors/Partners, Shareholder, Promoter and Key Management Personnel are to be provided in the Form prescribed in Annexure IIA with the FIT and Proper criteria format as mentioned in Annexure IIB.
- (h) List of employees who will be responsible for soliciting and procuring insurance business alongwith their qualifications are to be provided in the Form prescribed in Annexure IIA.
- (i) Details of statutory auditors and Principal Bankers along with the Bank Account Number of applicant.
- (j) Details of infrastructure along with supporting evidence thereof like ownership/ lease agreement papers with regard to office space/equipment/trained manpower, etc., for the registered office and the future planning for opening branch offices at various locations in the country and the estimated time frame with photographs of premises.
- (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 and life insurance background with good knowledge and experience of working in the areas of risk assessment, underwriting and claims management etc. Submit detailed CV, copies of educational qualifications along with their appointment/joining letters of the people, so selected, to the Authority.
- (n) Bring on record any other information, which is relevant to the nature of services rendered by the applicant for the growth and promotion of insurance business.
- (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.
- (b) The Auditors in addition to the signatories mentioned in-above should sign the Accounts statements.

The above list of documents/requirements is indicative only and not exhaustive. The additional documents will be advised based on the category of licence applied, pattern of shareholding, any other compliance matter required as per IRDA (Insurance Brokers) Regulations, 2013 and views of the Authority.

C. Personal Presentation

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

ANNEXURE IIA
INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY
(Insurance Brokers) Regulations, 2013
PARTICULARS OF PRINCIPAL OFFICER/DIRECTORS/PARTNERS/
PROMOTERS/SHAREHOLDERS/KEY MANAGEMENT PERSONNEL

(See regulation 8)

Personal details of Principal Officer

Mention Mr./Mrs.

Full Name

Address

Date of Birth

Nationality

Position in the Organisation

Current Position held from

Phone No.

Cell No.

FAX No.

E-mail 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	Position held in the Organisation	Period (fromto)

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

Name.....
Date.....

.....
Signature

ANNEXURE IIB
INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY
(Insurance Brokers) Regulations, 2013
FITNESS AND PROPRIETY CRITERIA
(See regulation 8)

The applicant should satisfy the Authority that:—

- (a) The Principal Officer is a fit and proper person to be licensed;
- (b) The CEO as defined in section 2 of these Regulations, is fit and proper person to hold the office; The Directors as defined in section 2 of these Regulations, are fit and proper persons to hold the office;
- (c) All of its substantial shareholders/partners 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/Shareholders/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/Shareholders/Key Management Personnel is given below. Henceforth, insurance brokers should use the format for obtaining declaration and undertaking from existing Principal Officer and Directors/Partners as well as the person to be appointed as Principal Officer/Director/Partner.

A separate form needs to be submitted by each individual.

Name of Insurance Broker:

Personal Details	
I. a.	Full Name
b.	Position in the Broking entity
c.	Date of Birth
d.	Educational Qualifications

	e.	Relevant Background and Experience
	f.	Permanent Address
	g.	Present Address
	h.	E-mail Address/ Telephone Number
	i.	PAN under the Income Tax Act Name and address of Income Tax Circle
	j.	Relevant knowledge and experience in Insurance
	k.	Any other information relevant to position
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, IRDA, 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 licence 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.
II	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, IRDA, 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 <i>in toto</i> , 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 issued by the IRDA
	Any other explanation/information in regard to items I and II and other information considered relevant for judging fit and proper.
Undertaking	
III.	I confirm that the above information is, to the best of my knowledge and belief, true and complete. I undertake to keep the Authority fully informed, as soon as possible, of all events, which take place subsequent to my appointment, which are relevant to the information provided above.
	Place: _____ Signature _____
	Date: _____ Name _____

ANNEXURE IIIA

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY

(Insurance Brokers) Regulations, 2013

(See regulation 18)

**DOCUMENTS TO BE ATTACHED WITH
THE RENEWAL APPLICATION FORM**

1. Form-A (Application form) duly filled in.
2. DD 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 Annexure-I.
5. Printed copy of Memorandum and Articles of Association issued by Registrar of Companies.
6. Affidavit duly notarized in compliance of section 42D of the Insurance Act, 1938.
7. Renewal training certificate for 25 Hrs. undergone by the Principal Officer.
8. Undertaking duly signed by a Director/Partner and the Principal Officer of the Company as per Annexure IX.
9. Copy of current lease agreement of the Principal Office of the company.
10. List of employees who solicit and procure business on behalf of the company.
11. Business premium figures and list of top 10 clients year-wise for the last three years.
12. Copy of Fixed Deposit receipt along with letter from Bank confirming lien.
13. Copies of Professional Indemnity insurance policies for last three years.
14. Copies of previous three years annual reports along with cash flow statements.
15. Certificate from CA certifying compliance of regulation 23 in respect of Reinsurance/Composite Insurance Brokers.
16. Any other document specific to the applicant.

ANNEXURE IIIB

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY
(Insurance Brokers) Regulations, 2013

(See regulation 18)

FORMAT OF SHARE HOLDING PATTERN

Sr. No.	Name of the Share-holder	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 held	

Note.—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 Dominant share-holders

Details of Share-holders who are not appearing above but held more than 5% of paid up capital since the date of registration/latest renewal date.

Sr. No.	Name of share-holder	No. of shares held	Period of holding

ANNEXURE IIIC

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY
(Insurance Brokers) Regulations, 2013

(See regulation 18)

UNDERTAKING FORMAT

Ref. No.

Date.....

The Insurance Development &
Regulatory Authority
3rd Floor, Parishram Bhavan
Basheerbagh
HYDERABAD - 500004

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 qualified persons in employment, during the process of application, who have the necessary qualifications specified in Schedule II and necessary experience to conduct the business of insurance broker under regulation 8(2)(iii).
3. No Director/Partner/Principal Officer/Shareholder/Employee/person directly or indirectly connected with the Applicant Company, has been refused in the past the grant of a licence by IRDA.
4. The Principal Officer has not violated the code of conduct as specified under Schedules VIA and VIB, whichever is applicable, of the IRDA (Insurance Brokers) Regulations, 2013.
5. The Applicant Company will comply with regulation 8(2)(xii) 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 2(1)(o) and is neither holding any Directorship/ Employment/Assignment in nor represents, either on full time or on part-time basis, any other Insurance related or any other entity.
7. None of the directors/partners or and employees of the company are holding any directorship/employment in or represent any other insurance related entity.
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. None of our Associate companies/Directors/Promoters/Key Management Personnel/Principal Officer/Employees is holding Agency/Corporate Agency/ TPA/Surveyors Licence.
10. We have assisted the clients in paying the premium as per section 64VB of the Insurance Act, 1938 and have not paid the premium on behalf of the clients, all the times.
11. We have not given any rebates of the whole or part of the commission payable or premium shown either directly or indirectly in compliance with section 41 of Insurance Act, 1938.
12. 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.
13. We confirm that the functions as specified in regulation 4 of IRDA (Insurance Brokers) regulations, 2013 have been complied with during the licence 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.

ANNEXURE IVA
 INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY
 (Insurance Brokers) Regulations, 2013
 (See regulation 23)

**UNDERTAKING TO BE SUBMITTED BY THE INSURANCE
 BROKER FOR ENGAGING TELEMARKETING SERVICES**

Name of the Insurance Broker:

Address for communication:

Licence No.

Category of licence:

Validity of licence:

We, M/s. Insurance Broking Company wish to engage the services of M/s..... as telemarketer for the purpose of telemarketing of insurance products. We certify and undertake the following:

- (1) That the telemarketer being proposed to be engaged by us is registered with TRAI with registration No. and the registration is valid upto.....
- (2) That we will ensure that the telemarketer engaged undertakes to comply with the regulations/circulars/guidelines and directions issued by TRAI in this regard and in case of any breach of the said documents by the telemarketer, the insurance broker shall be held responsible for such breaches.
- (3) That the services of the Telemarketer are proposed to be engaged for years and an agreement to this effect has been entered into detailing the scope of work, payment of fee and other terms and conditions. A copy of the agreement is filed with the Authority.
- (4) That we will ensure that the telemarketer complies with the regulations/guidelines/circulars/any other directions issued by the Authority in this regard from time to time.
- (5) That we will submit recordings/documents or any other information as required by the Authority from time to time.
- (6) That we are fully aware of the activities performed by the telemarketer other than services provided to our broking company and certify that none of the activities are related to any other insurance related entity.
- (7) That none of directors/partners/key management personnel/shareholders/employees of the insurance broker are the directors/partners/key management personnel/shareholders/employees of the telemarketer.
- (8) That the telemarketer is/not a related party or associate company to the insurance broker and the details of the related parties/associated companies/group companies of the telemarketer are attached with this document.
- (9) That we have obtained full information from the telemarketer on the activities performed by the telemarketer for other entities and also obtained the information from them on the details of activities of related parties/associated companies/group companies of the telemarketer and certify that none of the activities are of any conflict of interest in nature.

(This certificate needs to be signed by two directors/partners and Principal Officer of the broking company

Place.....

Date.....

ANNEXURE IVB
INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY
(Insurance Brokers) Regulations, 2013

(See regulation 23)

**UNDERTAKING TO BE SUBMITTED BY THE TELEMARKETER ENGAGED
BY THE INSURANCE BROKER FOR TELEMARKETING SERVICES**

Name of the Telemarketer:
Address for communication:
TRAI Licence No.
Category of licence:
Validity of licence:

We, M/s. have been engaged by M/s..... as telemarketer for the purpose of telemarketing of insurance products. We certify and undertake as follows:

- (1) That we are registered with TRAI with registration No. And the registration is valid upto.....
- (2) That we will comply with the regulations/circulars/guidelines and directions issued by TRAI in this regard and in case of any breach thereof by us, we will abide by the actions/directions initiated or issued by the Insurance Regulatory and Development Authority for such breaches.
- (3) That we are engaged for years and an agreement to this effect has been entered into with the insurance broker detailing the scope of work, payment of fee and other terms and conditions. A copy of the agreement is filed with the Authority.
- (4) That we will comply with the regulations/guidelines/circulars/any other directions issued by the Authority in this regard from time to time.
- (5) That we will submit recordings/documents or any other information as required by the Authority from time to time.
- (6) That we have not entered into any agreement with any other insurance related entity for providing any services.
- (7) That none of the directors/partners/key management personnel/shareholders/employees of our entity are the directors/partners/key management personnel/shareholders/employees of the insurance broker or any other insurance related entity.
- (8) That we are not a related party or associate company to the broking company or any other entity connected with insurance activities and the details of the related parties/associated companies/group companies are attached with this document.
- (9) That we have informed the insurance broker of the activities performed by our entity other than telemarketing services to the broking company and certify that none of the activities involves conflict of interest.
- (10) That we understand that the Authority has full powers to inspect the premises of the telemarketer or any other premises which the Authority feels necessary for verification of records/documents and has the power to seek any document/record, record statements of any employee of the telemarketer or make copies of documents/records at the discretion of the Authority.

- (11) That we will extend full co-operation and provide all assistance in connection with conduct of inspection on our premises by the Authority or any other person authorized to do so.

(This certificate needs to be signed by two directors of the telemarketer)

Place.....

Date.....

ANNEXURE V

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY

(Insurance Brokers) Regulations, 2013

(See regulation 29)

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 e-mail	
Licence validity from		Licence 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 Aprilto 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 declare that the Audited Reports for the previous three years have been filed with the authority as per details given below.

Mention year	Mention Date of submission of the reports to the Authority

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.....

ANNEXURE VIA
INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY
(Insurance Brokers) Regulations, 2013

(See regulation 30)

**(CERTIFICATE TO BE ISSUED BY AUDITORS OF THE BROKING COMPANY
ON MAINTENANCE OF CAPITAL AND NETWORTH REQUIRED UNDER
REGULATIONS 9 & 11) TO BE SUBMITTED HALF-YEARLY**

Name of the Insurance Broker:

Licence No.

Category of licence:

Validity of licence:

We the Auditors of the broking company 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 We have also verified and found that the networth of the company during the said period is Rs..... We also annexe to this certificate the computation of networth for the information of the Authority.

We also certify that the foreign equity in the broking company as at the same period has not breached the limits prescribed in the IRDA(Insurance Brokers) Regulations, 2013.

We also certify that the broking company is not engaged in any other business and carrying the business of insurance broking exclusively.

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.

.....
Name and signature of the Auditor

With seal

Date.....

Place.....

ANNEXURE VIB
INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY
(Insurance Brokers) Regulations, 2013

(See regulation 30)

**(CERTIFICATE TO BE ISSUED BY AUDITORS OF THE BROKING
COMPANY ON MAINTENANCE OF DEPOSIT REQUIRED UNDER
REGULATION 12) TO BE SUBMITTED HALF-YEARLY**

Name of the Insurance Broker:

Licence No.

Category of licence:

Validity of licence:

Period to which this certificate relates :

We, M/s., the Auditors of the broking company M/s..... having its registered office at have verified the necessary records and certify and confirm that the broking company

maintains a deposit of Rs., which is% of the minimum capital required under the IRDA (Insurance Brokers) Regulations, 2013. 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 IRDA;
 - (b) the fixed deposit shall not be released to the broking company unless the prior permission of the Authority is obtained;
 - (c) the deposit shall not be pledged for taking any loan or overdraft facility by the insurance broker.

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

Date.....
Place.....

ANNEXURE VIC
INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY
(Insurance Brokers) Regulations, 2013
(See regulation 30)

(CERTIFICATE TO BE ISSUED BY AUDITORS OF THE BROKING COMPANY ON MAINTENANCE OF PROFESSIONAL INDEMNITY INSURANCE REQUIRED UNDER REGULATION 13) TO BE SUBMITTED HALF-YEARLY

Name of the Insurance Broker:
Licence No.
Category of licence:
Validity of licence:

We,, the Auditors of the broking company M/s..... having its registered office athave verified the necessary records and certify that the broking company has obtained a Professional Indemnity Insurance Policy from(name of the insurance company) as required under regulation 13 of IRDA (Insurance Brokers) Regulations, 2013. 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 broking company 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.

Date.....
Place.....

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

ANNEXURE VID

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY
(Insurance Brokers) Regulations, 2013

(See regulation 30)

**(CERTIFICATE TO BE ISSUED BY AUDITORS OF THE BROKING COMPANY
ON REMUNERATION RECEIVED BY THE BROKING COMPANY UNDER
REGULATION 25) TO BE SUBMITTED HALF-YEARLY**

Name of the Insurance Broker:

Licence No.

Category of licence:

Validity of licence:

Period to which this Certificate relates:

We,the Auditors of the broking company M/s.....having its registered office athave verified their books of accounts and certify that the broking company has not received remuneration in excess of what is prescribed in regulation 25 of IRDA (Insurance Brokers) Regulations, 2013 and circulars/regulations issued in the matter.

.....
Name and signature of the Auditor

With seal

Date.....

Place.....

ANNEXURE VIE

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY
(Insurance Brokers) Regulations, 2013

(See regulation 30)

**(CERTIFICATE TO BE ISSUED BY AUDITORS OF THE BROKING
COMPANY ON SEGREGATION OF INSURANCE MONEY REQUIRED
UNDER REGULATION 27) TO BE SUBMITTED HALF-YEARLY**

Name of the Insurance Broker:

Licence No.

Category of licence:

Validity of licence:

Period to which this Certificate relates:

We,the Auditors of the broking company M/s.having its registered office at.....have verified their records and certify and confirm the following.

- (1) That the broking company has opened the "Insurance Bank Account" with Bank, in compliance of regulation, the details of which are annexed.
- (2) That the broking company has given written notice to and received written confirmation from the bank that the broking company 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.
- (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) That the broking company has only removed charges, fees or commission 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 prescribed in (4) as 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.....

ANNEXURE VII

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY

(Insurance Brokers) Regulations, 2013

(See regulation 10)

**LIST OF DOCUMENTS TO BE SUBMITTED FOR CONSIDERATION
OF APPLICATION FOR TRANSFER OF OWNERSHIP WHEN THE
TRANSFER IS EXCEEDING 5% OF THE TOTAL PAID UP CAPITAL
[AS DETAILED IN BROKERS' REGULATION 10(1)]**

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, as per the annexed format, 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 and Key management personnel of the applicant company are holding any directorship/employment in any other insurance related entity(s).

13. The details of any other proposed changes in your company.
14. Any other document, if so required by the Authority.

If the proposed buyer is an Individual:

1. A copy of the proposed shareholding pattern (as per the annexed format) 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.

Format of Share holding Pattern

Sr. No.	Name of the Share-holder	Prior to transfer of shares (1)		After the transfer of shares (2)		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.

ANNEXURE VIII**INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY
(Insurance Brokers) Regulations, 2013***(See regulation 46)***LIST OF DOCUMENTS FOR VOLUNTARY SURRENDER OF
LICENCE BY THE BROKING COMPANY**

- (a) The Company shall ensure that, as on date of making the application, annual fee for all the preceding financial years has been paid
- (b) A certified copy of resolution of the Board of Directors recording reasons for surrender of licence
- (c) A confirmation from the Principal Officer that no fresh business would be placed from the date of their request for surrender of licence
- (d) Original Certificate of valid Licence

Life Classification of Business

Month	Non-Linked	Linked	Annuity	Group	Health	Total
April						
May						
June						
July						
August						
September						
October						
November						
December						
January						
February						
March						
Total						

STATISTICS ON CLAIMS

Year	No. of Claims			
	Reported	Settled	Rejected	O/s