

IRDA Update: Norms for Individual Agents

28 March 2011

Please see below the Circular issued to all Insurers released by the IRDA on 25th March 2011 on Guidelines Pertaining to Agents:

Reference is invited to circulars ref. IRDA/CAD/GDL/AGN/016/02/2011 dated 11th February, 2011 & IRDA/CAD/GDL/AGN/016/02/2011 dated 14th February, 2011 prescribing guidelines relating to individual agents in respect of life insurance and Non Life Insurance respectively. Vide the above referred circular dated 11th February, 2011 issued in respect of life insurance the Authority has put in place certain persistency bench marks for individual life insurance agents. The Authority has also mandated all insurers vide above circulars to lay down Minimum Business requirements for agents which shall be incorporated in agency agreements.

The Authority vide letter dated 28th November, 2006 allowed Star Health and Allied Insurance Company to avail the services of general insurance agents of other companies. This special dispensation is extended to all the Standalone Health Insurance Companies and will be valid till further orders of the Authority.

In view of special dispensation given to above Standalone Health Insurance companies a situation could arise where an agent works for two general insurers one of which is a Stand alone Health Insurer. Hence it is now clarified that in all such cases those agents shall achieve in full the Minimum Business Requirements laid down by at least one of the general insurance companies. The Standalone Health Insurance company utilizing the services of general insurance agents of other companies shall maintain a list of such agents and notify their performance to respective general insurers on annual basis to carry out effective monitoring.

This is issued, under Section 14(2) of the IRDA Act, 1999.

For further information on this topic please contact Tuli & Co

Tel +91 11 2464 0906, fax +91 2464 0904 or email lawyers@tuli.biz

www.tuli.biz