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**INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA
(REGISTRATION OF CORPORATE AGENT) REGULATIONS, 2015**

To,
Insurance Regulatory and Development Authority of India (IRDAI)
Hyderabad

Code of Conduct for Corporate Agents

We hereby undertake and confirm to follow the code of conduct for corporate agent composite stipulated as under:

General Code of Conduct

1. Every corporate agent shall follow recognised standards of professional conduct and discharge their duties in the interest of the policyholders. While doing so-
 - (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 his relationship with the corporate agent and on whose behalf the corporate agent 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) No director of a company or a partner of a firm or the chief executive or a principal officer or a specified person shall hold similar position with another corporate agent;

2. **Every Corporate Agent shall**
 - (a) be responsible for all acts of omission and commission of its principal officer and every specified person;
 - (b) ensure that the principal officer and all specified persons are properly trained, skilled and knowledgeable in the insurance products they market;
 - (c) ensure that the principal officer and the specified person do not make to the prospect any misrepresentation on policy benefits and returns

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available under the policy;

- (d) ensure that no prospect is forced to buy an insurance product;
- (e) give adequate pre-sales and post-sales advice to the insured in respect of the insurance product;
- (f) extend all possible help and cooperation to an insured in completion of all formalities and documentation in the event of a claim;
- (g) give due publicity to the fact that the corporate agent does not underwrite the risk or act as an insurer;
- (h) enter into agreements with the insurers in which the duties and responsibilities of both are defined.

Pre-sale Code of Conduct

3. Every corporate agent or principal officer or a specified person shall also follow the code of conduct specified below:

- (i) Every corporate agent/principal officer/specified person shall,--
 - (a) identify himself and disclose his registration/certificate to the prospect on demand;
 - (b) disseminate the requisite information in respect of insurance products offered for sale by the insurers with whom they have arrangement and take into account the needs of the prospect while recommending a specific insurance plan;
 - (c) disclose the scales of commission in respect of the insurance product offered for sale, if asked by the prospect;
 - (d) indicate the premium to be charged by the insurer for the insurance product offered for sale;
 - (e) explain to the prospect the nature of information required in the proposal form by the insurer, and also the importance of disclosure of material information in the purchase of an insurance contract;
 - (f) bring to the notice of the insurer any adverse habits or income inconsistency of the prospect, in the form of a Confidential Report along with every proposal submitted to the insurer, and any material fact that may adversely affect the underwriting decision of the insurer as regards acceptance of the proposal, by making all reasonable enquiries about the prospect;

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- (g) inform promptly the prospect about the acceptance or rejection of the proposal by the insurer;
 - (h) obtain the requisite documents at the time of filing the proposal form with the insurer; and other documents subsequently asked for by the insurer for completion of the proposal;
- (ii) No corporate agent/principal officer/specified person shall,--
- (a) solicit or procure insurance business without holding a valid registration/certificate;
 - (b) induce the prospect to omit any material information in the proposal form;
 - (c) induce the prospect to submit wrong information in the proposal form or documents submitted to the insurer for acceptance of the proposal;
 - (d) behave in a discourteous manner with the prospect;
 - (e) interfere with any proposal introduced by any other specified person or any insurance intermediary;
 - (f) offer different rates, advantages, terms and conditions other than those offered by the insurer;
 - (g) force a policyholder to terminate the existing policy and to effect a new proposal from him within three years from the date of such termination;
 - (h) No corporate agent shall have a portfolio of insurance business from one person or one organization or one group of organizations under which the premium is in excess of fifty percent of total premium procured in any year;
 - (i) become or remain a director of any insurance company, except with the prior approval of the IRDAI;
 - (j) indulge in any sort of money laundering activities;
 - (k) indulge in spurring of business by themselves or through call centers by way of misleading calls or spurious calls;
 - (l) undertake multi-level marketing for soliciting and procuring of insurance products;
 - (m) engage untrained and unauthorized persons to bring in business;

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- (n) provide insurance consultancy or claims consultancy or any other insurance related services except soliciting and servicing of insurance products as per the certificate of registration.
- (o) Engage, encourage, enter into a contract with or have any sort of arrangement with any person other than a specified person, to refer, solicit, generate lead, advise, introduce, find or provide contact details of prospective policyholders in furtherance of the distribution of the insurance product.
- (p) Pay or allow the payment of any fee, commission, incentive by any other name whatsoever for the purpose of sale, introduction, lead generation, referring or finding to any person or entity.

Post-Sale Code of Conduct

4. Every Corporate Agent shall-

- (a) advise every individual policyholder to effect nomination or assignment or change of address or exercise of options, as the case may be, and offer necessary assistance in this behalf, wherever necessary;
- (b) with a view to conserve the insurance business already procured through him, make every attempt to ensure remittance of the premiums by the policyholders within the stipulated time, by giving notice to the policyholder orally and in writing.
- (c) 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;
- (d) 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;
- (e) 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;
- (f) ensure that the client receives the insurer's renewal invitation well in time before the expiry date.
- (g) render necessary assistance to the policyholders or claimants or beneficiaries in complying with the requirements for settlement of claims by the insurer;
- (h) explain to its clients their obligation to notify claims promptly and to

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disclose all material facts and advise subsequent developments as soon as possible;

- (i) advise 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;
- (j) give prompt advice to the client of any requirements concerning the claim;
- (k) 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;
- (l) 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.
- (m) shall not demand or receive a share of proceeds from the beneficiary under an insurance contract;
- (n) ensure that letters of instruction, policies and renewal documents contain details of complaints handling procedures;
- (o) accept complaints either by phone or in writing;
- (p) 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;
- (q) ensure that response letters are sent and inform the complainant of what he may do if he is unhappy with the response;
- (r) ensure that complaints are dealt with at a suitably senior level;
- (s) have in place a system for recording and monitoring complaints.

Instructions for Sale of Insurance products by tele-marketing mode and other distance marketing activities of corporate agent

1. Scope and applicability - These covers distance marketing activities of corporate agents at all the stages including offer, negotiation as well as conclusion of sale.
 - a) Distance marketing includes every activity of solicitation and sale of insurance products through the following modes:
 - (i) Voice mode, which includes telephone-calling;

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- (ii) Short Messaging service (SMS);
 - (iii) Electronic mode which includes e-mail, internet and interactive television (DTH);
 - (iv) Physical mode which includes direct postal mail and newspaper & magazine inserts; and,
 - (v) Solicitation through any means as approved by the Authority from time to time under Distance Marketing.
- b) These instructions are specifically applicable in case of the following activities in addition to other similar activities:
- (i) Use of distance mode for ascertaining the Prospect's intent to purchase insurance.
 - (ii) Solicitation as well as sale over the distance mode; and
 - (iii) Requests by Prospects seeking information or sale of insurance products.

2. Compliance

The corporate agent shall, in addition to these instructions, comply with all the applicable provisions of the Insurance Act, 1938, the IRDA Act, 1999, IT Act, 2000, TRAI Act, 1997, The Telecom Unsolicited Commercial Communications (Amendment) Regulations, 2008 and the rules, regulations, circulars or guidelines, as applicable to it, issued from time to time.

3. Persons engaged for solicitation

- (a) For the purpose of solicitation of insurance business through distance marketing, the corporate agent may engage:
 - (i) Specified persons of corporate agents, or
 - (ii) Authorised Verifiers of Telemarketers
- (b) The corporate agent shall be responsible for all acts of commission and omission of the persons deployed on their behalf.

4. Agreements between the corporate agent and Telemarketers

The agreement between the corporate agent and Telemarketer, by whatever name called, shall inter alia include the following clauses:

- (i) The Telemarketer shall maintain/preserve recordings of all the calls in



a manner that is compliant with the provisions of these instructions and forward all such records to the corporate agent. The corporate agent in turn shall forward a copy of the records to the insurer in satisfactory condition.

- (ii) The Telemarketer shall maintain records of all the authorized Verifiers employed by them along with their training and assessment particulars, including the certificate issued by the Authority.
- (iii) The records under (i) & (ii) above shall be open to inspection by the Authority.

5. Role of Authorized Verifier:

- (i) Telemarketers shall employ authorized Verifiers, who alone are permitted for soliciting and concluding the sale of insurance products;
- (ii) The authorized Verifiers shall be employees of the Telemarketer and they shall be assigned to the corporate agent as per the certificate issued by the Authority for the purpose of sale of insurance products. Any change in such assignment shall be disclosed to the Authority and a fresh certificate to that effect shall be obtained from the Authority without which the Authorised Verifier shall not be permitted to solicit and conclude the sale of insurance products;
- (iii) Authorized Verifiers are barred from soliciting insurance in their individual capacity in any mode, or on behalf of any organization other than the Telemarketer employing them.
- (iv) the corporate agent shall maintain records in the format specified by the Authority which shall capture policy-wise and Authorised Verifier-wise details wherein each policy solicited by the corporate agent through the distant mode is tagged to the authorized Verifier. The corporate agent shall put in place systems which allow regular access to such records and details by the Authority.

6. Conduct in relation to sale of insurance products through distance marketing by corporate agents

- (i) Corporate Agent shall suggest a suitable product, from among the insurance products of insurer/s with which they have arrangements as per these regulations, available in the market that fits the needs of the Prospect.
- (ii) The price comparison charts that are displayed on their website shall be up to date and reflect a true picture of all the available and suitable products under each category.

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- (iii) Insurers shall specifically identify the proposals procured by corporate agents over distance mode and obtain all relevant records pertaining to such policies. Insurers shall produce such records before the Authority in case of dispute involving alleged violation of breach of conduct by the corporate agent.

7. Process of Solicitation

Solicitation of insurance by corporate agents through distance mode shall be in specific compliance with the following norms:

7.1 Standardized Script

- (i) Insurers, in consultation with the Corporate Agents, shall prepare standardized scripts for presentation of benefits, features and disclosures under each of the products proposed to be sold over the distance modes. Solicitation under distant mode shall be in line with the standardized script.
- (ii) The scripts shall be incorporating all the Key Features of the product and shall be approved by the compliance officers of the respective insurers. The scripts shall be filed with the Authority under "Use & File" procedure within 15 days of their approval by the compliance officer.

7.2 Introduction

- (i) The communication shall clearly highlight the name of the corporate agent and names of insurers with which they have arrangements to distribute insurance products.
- (ii) The fact that the purpose of approach is solicitation of insurance shall be clearly highlighted.

7.3 Consent of the Prospect

- (i) The authorized Verifier shall proceed further only on receiving the consent of the prospect in explicit terms.
- (ii) The prospect shall be given an option to continue with the subject or exit the page at every stage in case of electronic modes. The hours during which calls are made shall be in accordance with orders issued by TRAI/DoT from time to time.
- (iii) In case of telephonic solicitation the name of the authorized Verifier along with the certificate number issued by the authority shall be disclosed and the language options available must be indicated. The

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subsequent communication shall continue only in the language chosen by the Prospect.

- (iv) The authorized Verifier shall inform Prospects that the call is being recorded and that the Prospect is entitled to a voice copy, if he so desires, at any time during the term of the policy or until a satisfactory settlement of claim, whichever is later.
- (v) No inconvenience, nuisance or harm shall be caused to the Prospects in the course of solicitation or thereafter. Full disclosures shall be made to the Prospects under all modes of distance marketing and the requirements of confidentiality, privacy and non-disclosure shall be complied with.

7.4 Prospects Information

All relevant information pertaining to the Prospect as well as the person/asset to be insured shall be obtained, and solicitation shall be strictly on the basis of analysis of the Prospects' needs, as specified by the Authority from time to time.

7.5 Product benefits & Features

The standardized script shall cover the following items in the course of product presentation:

- (i) The specific responses of the Prospect in the form of agree/disagree, yes/no, accept/reject, understand/don't understand, as applicable, against each of the items below, should cover under all modes of distance solicitation.
- (ii) Name of the product suggested and its nature and parameters.
- (iii) Insurance cover available under the product for a specified amount of annual premium, or, conversely, premium chargeable towards a specified amount of insurance cover.
- (iv) The scope of cover, perils covered and not covered, exclusions, deductibles or franchise, co-payments, loading/discounts on premiums, add-on covers, conditions, other terms and benefits, mid-term inclusions, short period scales, basis of sum insured, warranties, clauses and endorsements, compliance with Section 64VB of the Insurance Act, 1938 - payment of premium before commencement of risk, etc., as applicable.
- (v) The contents of the "key features document" as and when specified by the Authority.

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- (vi) The right to cancel the policy within 30 days of receipt of the policy in case of disagreement with the terms of the policy under all life insurance contracts and covers tied to credit/debit/other cards, and for all personal accident and health insurance policy contracts with a term of 3 years or more offered by insurers over distance mode, provided no claim has already been made on the policy.
- (vii) Disclosure of rates of commission available on the product solicited upon the request of the Prospect.

7.6 Premium Ceilings in case of sale of ULIPs and prohibition of sale of Universal Life Products over telephonic mode

- (i) Corporate agents shall not solicit ULIPs of non-single premium type for annualized premiums exceeding Rs. 50,000/- over telephonic mode (voice as well as SMS).
- (ii) Single premium ULIPs shall not be solicited for a premium of more than Rs. 1,00,000/- over telephonic mode.
- (iii) No variable insurance product shall be solicited or sold over distance marketing mode.

8. Post-Solicitation Process

Once the Prospect agrees to purchase a policy, the proposal form and premium acceptance shall comply with the following requirements:

- (i) The premium towards the policy may be debited online or interactive voice response medium or through a manual collection subject to compliance with the procedures and controls prescribed by the RBI.
- (ii) The norms applicable to insurers and intermediaries as regards AML and PAN need to be complied with in the process of selling a policy over distance marketing mode.
- (iii) For policies solicited/sold over distance mode, insurers shall issue policies in exactly the same format and medium as in case of sale through physical interface, duly enclosed by the requisite annexures.
- (iv) The address and toll-free number of the office to be contacted by the policyholder in case of a servicing need or grievance shall be informed to the Prospect.
- (v) Before conclusion of sale the authorized Verifier shall divulge his name and certificate number to the prospect and this shall form part of the recorded conversation for the sake of future verification.

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- (vi) The records pertaining to every call made and SMS sent by a Telemarketer/Corporate Agent that materializes into a policy shall be transferred to the insurer's location within 30 days of conclusion of sale. In case of telephone calls the records transferred shall be the recordings of the entire conversation.

9. No Unfair Denial of Insurance Cover

When a Prospect approaches a corporate agent over distance mode proposing for insurance cover, the latter are duty-bound to consider the case on merits and in accordance with regulatory directions and their own norms. In no case shall they resort to an unfair denial of cover to a Prospect who seeks insurance.

10. Preservation of Records

The corporate agent shall preserve, in an inalterable and easily retrievable form, a voice/electronic/physical record, as applicable, of the entire process beginning with lead generation/solicitation and concluding in sale of insurance, for a period of six months beyond the term of the policy or until satisfactory settlement of claim, whichever is later. Voice and electronic records shall be digitized and encrypted for storage to ensure reliability and security of the data.

11. Verification Process

- (i) Corporate agents shall monitor the calls live by arranging for listening to at least 1% of the calls as they happen.
- (ii) Corporate agents shall verify at least 3% of calls leading to sales for compliance with the instructions, by engaging a team of dedicated employees to listen to the call recordings. The observations made in the course of verification shall be preserved in a retrievable form for a period of not less than three years.
- (iii) Corporate agent shall make verification calls, to monitor the quality of sales, to a minimum of 3% of the policyholders who purchase insurance over distance marketing mode, every month. The purpose of verification calls is to ascertain whether the Prospect has understood the benefits, features and disclosures of the product purchased correctly. Verification calls shall also bear a standardized script and the records of calls shall be preserved for a period (a) not less than 15 months from the date of policy or until satisfactory claim settlement, whichever is later, in case of non-life contracts (b) not less than 3 years in case of life insurance policies.
- (iv) The policies under (ii) and (iii) above shall be selected according to a

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random pattern, making sure to cover each product category and mode of sale.

12. Certification of Compliance

The Principal Officer of each corporate agent shall submit to the Authority, at the end of each financial year, a certificate confirming that the corporate agent has complied with all the provisions of the above instructions (para-7 to 11) during the financial year.

13. Disputes

For the purpose of these instructions the contract of insurance shall be deemed to include the contents of Key Features Document (KFD) and the records of calls to the Prospect pertaining to the product. In case of disputes involving specific wordings of the policy, the Prospect shall have the right to give primacy to the wordings of the KFD and the calls over the specific wordings of the policy.

We confirm that the above statement 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.

For and on behalf of:

Fincart Finvest Private Limited



Name: Mr. Ravi Dutt Sharma

Designation: Principal Officer

DIN No. 09210236



Name: Mr. Kewal Sharma

Designation: Director

DIN No. 09188874



Name: Mr. Tanwir Alam

Designation: Director

DIN No. 06387939

Date: 12.12.2022

Place: Gautam Buddha Nagar UP