

### **SCHEDULE III**

**[See regulation 26]**

## **Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015**

### **Code of Conduct**

#### **I. 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 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.

#### **II. 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;
- (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 Authority;
- j. indulge in any sort of money laundering activities;
- k. indulge in sourcing 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 unauthorised persons to bring in business;
- 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

### **III. 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 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.