



बीमा विनियामक और विकास प्राधिकरण  
**INSURANCE REGULATORY AND  
DEVELOPMENT AUTHORITY**

IRDA/ DIST/ MISC/ ORD/ 031/ 01/ 2014

20<sup>th</sup> January, 2014

**ORDER – Constitution of a Working Group on Insurance Marketing Firm/  
Insurance Distribution Company**

The Authority had constituted a committee under the Chairmanship of Shri N.M. Govardhan, former Chairman of LIC during September 2007 to look into distribution channels- agency, corporate agency, bancassurance, referrals, direct sales etc. The committee was asked to study and ascertain the manner in which these channels have been functioning, their efficacy, their cost effectiveness, their weaknesses and make recommendations on the changes to be made to make them effective, professional and accountable and serve the interests and serve the interests of the insured and facilitate provision of services all over the country in a cost effective manner even for the low priced insurances.

The committee had since submitted its report to the Authority. One of the issues considered by the Committee was to allow distribution companies to have multiple tie-ups with insurers, a model akin to Independent Financial Advisors(IFA).

The Authority has conducted meetings with representatives of life and non-life insurance companies on 16<sup>th</sup> and 17<sup>th</sup> January, 2014 and the issue of Insurance Marketing Firm(IMF) was discussed at length. During the meetings, it was decided to constitute a working group having five members each from life and non-life companies to study the report of the Govardhan Committee on Distribution Channels and explore the possibility of introducing a new distribution channel on the lines of Insurance Marketing Firm. The group will study on the issue and recommend to the Authority on the following issues of proposed model of IMF.

- Requirement of capital;
- Geographical spread within which the IMF can operate;
- Distribution costs/remuneration/incentives to be paid to IMF;
- Fit and Proper Criteria;
- Quality Standards;
- Training and recruitment of sales persons;
- Process of sales;
- Any other issue which is relevant

The working group will have the following members.

1. Mr. Rajesh Sud, CEO, Max Life Insurance Company Limited
2. Dr P. Nandagopal, CEO, IndiaFirst Life Insurance Company Limited
3. Mr. Kshitij Jain, CEO, ING Vysya Life Insurance Company Limited

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4. Mr.T.R Ramachandran, CEO, Aviva Life Insurance Company Ltd
5. Mr.John David Holden, CEO, Canara HSBC Life Insurance Company Limited
6. Mr.Yogesh Lohiya, CEO, Iffco-Tokio General Insurance Company Limited
7. Dr.A.K.Saxena, CMD, Oriental Insurance Company Limited
8. Mr.Bhargav Dasgupta, CEO, ICICI Lombard General Insurance Company Limited
9. Mr. S.S.Gopalarathnam, CEO, Cholamandalam MS General Insurance Company Limited
10. Mr.Anuj Gulati, CEO, Religare Health Insurance Company Limited
11. Shri Randeep Singh, Sr. Joint Director, IRDA will be the Member Convenor

The group will submit its recommendation by 28<sup>th</sup> February, 2014 to the Authority.

This has the approval of the Competent Authority.

(DD. Singh)  
Member (Distribution)