



IRDAI/INT/GDL/ *INDP / 219* / 12/2019

4<sup>th</sup> December, 2019

**Guidelines on Regulatory Framework for appointment of postmen and grameen dak sevaks of Department of Posts as Point of Sales Person by India Post Payment Bank (IPPB)**

**I. Introduction**

The Authority issued Guidelines on Point of Salesperson-General and Health vide circular no. IRDA/ Int/ GDL/ ORD/ 183/ 10/ 2015 dated 26/10/2015 and Guidelines on Point of Salesperson-Life vide circular no. IRDA/ LIFE/ ORD/ GLD/ 223/ 11/ 2016 dated 9.11.2016. While issuing these guidelines the Authority had observed that there are number of persons who are involved in undertaking simple and routine activities pertaining to solicitation and marketing of insurance policies. For e.g. bulk of products in motor insurance, travel insurance, personal accident insurance, term insurance, etc. require very little underwriting. These happen to be largely pre-underwritten products wherein based on the information provided by the prospect, the insurance policy is automatically generated by the system. The intervention required for such a product is minimal and the training and examination for such persons could be of a lesser degree. Therefore, in order to facilitate the growth of insurance business in the country and to enhance insurance penetration and insurance density, the Authority as part of its developmental agenda issued the guidelines on "Point of Sales Persons".

**II. India Post Payment Bank (IPPB)**

IPPB is set up under the Department of Post, Ministry of Communication, with 100% equity owned by the Government of India. IPPB intends to leverage Department of Post reach and visibility across India through its physical network of 1,55,000 post offices and last mile doorstep banking services enabled through its workforce of over 3 lakhs grameen dak sevaks and postmen. IPPB intends to distribute third party products

including insurance. IPPB has been set-up with a lean structure to focus on product strategy, technology excellence, customer and user experience and regulatory compliance. All customer facing services will be provided at the last mile by leveraging the Dept of Posts infrastructure/ post offices and postal employees in line with RBI Business Correspondent guidelines.

### **III. Role of postmen and grameen dak sevaks**

These postmen and grameen dak sevaks will be operating largely in un-banked and under-banked geographical areas and can provide the last mile reach to sell insurance products in remote and rural areas. This would provide financial inclusion and increase insurance density and penetration in the country which is in line with the objective of the Authority.

### **IV. Regulatory Framework for supervision of postmen and grameen dak sevaks of Department of Posts by IPPB**

1. The IPPB, which is a corporate agent, may apply to the Authority seeking permission to sponsor postmen and grameen dak sevaks of Department of Posts to act as Point of Salesperson (POS).
2. The Authority under Section 14(2) of the IRDA Act, 1999 may consider IPPB's request to sponsor postmen and grameen dak sevaks of Department of Posts to act as POS.
3. In case the Authority grants permission, IPPB shall be responsible for all acts of omission and commission of the postmen and grameen dak sevaks appointed as Point of Salesperson.
4. The Department of Posts will identify the postmen and grameen dak sevaks and furnish the list to the Authority through IPPB from time to time
5. The details of arrangements between IPPB and Department of Posts on behalf of postmen and grameen dak sevaks shall be filed with the Authority.
6. The IPPB may have tie-ups with as many number of insurers as allowed under the IRDAI (Registration of Corporate Agents) Regulations, 2015 for distributing

insurance products through the postmen and grameen dak sevaks of Department of Posts.

7. For further safeguards, IPPB shall be responsible for the following:
  - i) training and certification of postmen and grameen dak sevaks of the Department of Posts on the lines of Point of Sales Person
  - ii) daily reconciliation and reporting of all transactions
  - iii) compliance to code of conduct
  - iv) compliance with KYC norms
  - v) setting up of a robust grievance redressal mechanism to address grievances raised by customers
  - vi) put in place a system to identify the postman and grameen dak sevak who has sold an insurance policy to the prospect
8. All other conditions contained in Guidelines on Point of Salesperson-General and Health vide circular no. IRDA/ Int/ GDL/ ORD/ 183/ 10/ 2015 dated 26/10/2015 and Guidelines on Point of Salesperson-Life vide circular no. IRDA/ LIFE/ CIR/ MISC/ 215/ 12/ 2019 dated 2.12.2019 will continue to apply to postmen and grameen dak sevaks of the Department of Posts.
9. The Authority withdraws circular Ref. No: IRDA/ CAGTS/ CIR/ LCE/ 165/ 10/ 2010 dated 14.10.2010 dealing with framework to sanction corporate agency license to Department of Posts (India Post).



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