



भारतीय बीमा विनियामक और विकास प्राधिकरण
INSURANCE REGULATORY AND
DEVELOPMENT AUTHORITY OF INDIA

IRDA/ INT/ ORD/ COCI/ 042/ 03/ 2016

2nd March, 2016

OFFICE ORDER

Re: Constitution of a committee for establishment of insurance service companies

It is observed that insurance companies have been able to achieve some success in increasing insurance penetration in the country by largely employing insurance agents or insurance intermediaries. These efforts have been supplemented by insurers opening their own brick & mortar own offices. The insurers have enhanced their reach by utilizing the infrastructure of their promoters companies or their associate companies. The option of every insurer setting up an office involves heavy costs. Added to that is the high expectations and increased demand by the policyholder to get the best and top rated service from the insurer.

Already technology is being leveraged heavily by the insurers to reach out to the policyholder and offer the best of services. Various steps including facilitating servicing of the insurance policies through the insurance repository system have been taken by the IRDA with some success. However the desired goal of prompt servicing of policyholder in the most cost efficient manner is yet to be achieved.

One of the approaches that can be considered is to have service centres that are company neutral. These service centres can accept requests from the policyholder of any insurance company and pass on the same to the respective insurance company in a cost efficient manner. These service centres will not only increase the touch points that will become available to the customers but will bring insurance at the doorstep of the customer. The insurance companies would also gain by saving on investments to be made in the traditional brick and mortar offices.

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In order to take forward the concept of service companies, the Authority would like to set-up an expert committee with the following members:

1. Mr Rajesh Relan, ex-MD, PNB Metlife Life Insurance Company Limited -Chairman
2. Mr Munish Sharda, CEO, Future Generalli Life Insurance Company Limited - Member
3. Mr Neelesh Garg, CEO, TATA-AIG General Insurance Co Ltd - Member
4. Mr Anuj Gulati, CEO, Religare Health Insurance Company Limited - Member
5. Mr R. Jayaprakash, Development Officer, Life Insurance Corporation of India - Member
6. Ms Bindu Sukeshni, ex-Compliance Officer, TATA Motors Insurance Broker Limited - Member

The committee will study the issue and recommend to the Authority on the following issues of proposed model of a service company:

- a) Legal form
- b) Capital requirements
- c) Geographical spread
- d) Operational Model
- e) Cost structures and revenue model
- f) Service standards including turn around times
- g) Fit & Proper criteria
- h) Interface with the insurers and system integration
- i) Any other issue

The group will submit its recommendation by 15th April, 2016 to the Authority.


Member (Life)