



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

No. IRDA/ENF/ORD/ONS/186/09/2016

**Final order**  
**In the matter of M/s. Life India Educational & Charitable Trust**

**Based on reply to the Show Cause Notice dated 3<sup>rd</sup> March, 2016 and submissions made during Personal Hearing on 21<sup>st</sup> April, 2016 at 2-30 pm taken by Member (F&I) at the office of Insurance Regulatory and Development Authority of India, 3<sup>rd</sup> Floor, Parishrama Bhavanam, Basheerbagh, Hyderabad.**

The Insurance Regulatory and Development Authority of India (hereinafter referred to as "the Authority") carried out an onsite inspection of M/s. Life India Educational & Charitable Trust, Corporate Agent (hereinafter referred to as "Corporate Agent" or "CA") during 13<sup>th</sup> to 14<sup>th</sup> October, 2014. The Authority forwarded on 21-10-2015 a copy of the Inspection Report to the Corporate Agent seeking its comments. Upon examining the submissions made by the Corporate Agent vide letter dated 3-11-2015, the Authority issued Show Cause Notice on 3-3-2016 which was responded to by the Corporate Agent vide letter dated 23-3-2016. As requested therein, a personal hearing was given to the Corporate Agent on 21-4-2016. Shri C.K.Shaji, Chairman, Shri M.K.Rajesh, General Manager and Shri Joseph Joshy, Legal Adviser, were present in the hearing on behalf of the Corporate Agent. On behalf of the Authority, Ms. V. R. Iyer, Member (F&I), Shri Lalit Kumar, FA & HOD (Enforcement), Shri Prabhat Kumar Maiti, JD (Enforcement), Shri B.Raghavan, DD (Enforcement), Shri Ganesh Babu, OSD (Agency Distribution Department) were present during the personal hearing.

The submissions made by the Corporate Agent in their written reply to the inspection observations, Show Cause Notice and also those made during the course of the personal hearing have been taken into account.

The findings on the explanations offered by the Corporate Agent to the Show Cause Notice and the decisions thereon are detailed below.

**1. Charge No. 1:**

The amount of premium per member actually remitted to the insurer (NIC) by the Corporate Agent was much lower than the amount of money collected by it in the name of 'Membership Fee'. The CA has not provided any explanation to the insured on the difference of money collected by them from the general public in addition to the admission fee of Rs. 20/ per member

**Violation of Regulation 9(2) (i) (e) of the IRDA, Corporate Agents Regulations, 2002**

**Submissions of Corporate Agent:**

The CA has submitted that the investigation team has erred in their finding that the CA is collecting amount as insurance premium from its members. The CA further submits that it is admitting persons as its members by collecting admission fee and membership fee from them for which proper receipt is given to the members. The CA claims that it never collected insurance proposals from the members and it never used any stationery of the insurance company for this purpose. Further, the application forms cited in the report ie. 668949, 668973, 668972 & 666150 do not carry the words 'Insurance proposal'. Hence the CA submits that the interpretation of its application form as insurance proposal form is not correct.

The CA further submits that it is true that the terms and conditions of the membership and its benefits are briefed in the reverse of the application form. Brief narration about the insurance coverage where ever applicable had been given for the information of the member. The objective of the trust as also the membership benefits such as medical aid to poor members, free cancer detection facility in the camps conducted by the trust, death relief fund for the poor in case of natural death etc, are mentioned in vernacular in para 6 the membership application form.

The CA has further stated that it receives membership contribution from its members and as part of the benefit of the membership it used to insure its members under its healthcare membership with National Insurance Company under the strength of Master Policy agreements. It has never received any amount from its members as insurance premium. The CA has further stated that it has categorically stated in the application form for inducting a member that the amount collected in excess of the actual premium shall be used for incidental expenses and charity.

*The CA has further submitted that it never sold insurance to public. The CA only admitted members in its trust purely to achieve the objectives mentioned in the bye law of the trust which is formed under the Indian Trust Act 1882.*

**Decision:** Regulation 9(2) (i) (e) of the IRDA,(Corporate Agents) Regulations, 2002, states 'Every corporate agent/ corporate insurance executive/ specified person shall indicate the premium to be charged by the insurer for the insurance product offered for sale.' However, none of the members to whom the Corporate Agent has granted insurance policy was intimated what amount of premium was charged from them towards the said insurance. Hence the members who were granted insurance were totally in dark about what amount of premium was charged for the insurance to them. Thus the failure of the Corporate Agent to provide information to the insured about the amount of premium charged from them is violation of the above mentioned regulation.

Taking an objective view of the CA's submissions that they do not collect the amount in the form of premium and certain amount of membership subscription is used to pay the

premium for the master policy, no charge is pressed. However, the Authority directs the CA to strictly comply with Regulation 21(i) of the IRDAI (Registration of Corporate Agents) Regulations, 2015 and must start forthwith the practice of informing in advance the premium to be charged by the insurer for the insurance to be granted to the members of the trust. Compliance in this regard must be communicated to the Authority within 15 days of this letter.

**2. Charge No.2 :** Trust Membership forms used by the LIECT/LICBF and the certificates issued by them clearly indicate that the group was formed for the purpose of providing the service of insurance and investment of funds. These services are not the fundamental business activities by the Corporate Agent.

Violation of:

Para A-2 of the Group Guidelines contained in Circular No. 015/IRDA/Life/Circular/GI Guidelines/2005, dated 14-7-2005 issued by the IRDA.

**Submissions of Corporate Agent:**

The main objective of Life India Educational and Charitable Trust and Life India Children's Birthday Fund are charity and upliftment of the poor & weaker sections of the society. In order to achieve this goal under bye-laws Life India Children's Birthday Fund and also as mentioned in the Deed of Life India Educational & Charitable Trust respectively, the trust can institute socio economic welfare endowment schemes. The operation of these schemes is permitted by the rules and regulations made under the law made in our country.

The CA has submitted that it is regularly supervised by the Income Tax department being the competent controlling authority designated by the Government of India. The activities performed by the CA are in compliance with the precedent of our Honorable Apex Court of our country in the case ACIT Vs Thanthi Trust (247 ITR -785)(SC), in which it is held that the trust is entitled to carry any business activities for the attainment of its main objects. The observation of the Hon'ble regulatory authority that the CA has formed many groups for the purpose of availing insurance is incorrect. To substantiate its submission, the CA has stated that both the entities are admitting members without insurance coverage. The group wherever has been formed are not for the purpose of availing insurance but only for achieving funds for the purpose of meeting the main object of the trust which includes charity. As explained in para 2 above, neither the application form nor the certificates issued by the CA indicates that the group was formed for the purpose of providing insurance. As such provisions under Para A-2 of CA guidelines dt. 14/07/2005 does not attract.

**Decision:**

The membership forms used by LIECT and enrolment of members for the Trust by using those forms indicate that the group was formed for the purpose of availing insurance. This is tantamount to violation of Para A-2 of Group Insurance Guidelines dated 14-7-2005. However, the submissions made by the CA are taken on record. In this connection, the CA is directed to ensure that all the provisions of Group Insurance guidelines contained in Circular No. 015/IRDA/Life/Circular/GI Guidelines/2005, dated 14-7-2005 are strictly adhered to.

**3. Charge No.3 :** As evident from the membership forms designed by the LIECT and LICBF, taking up of insurance is a compulsion to the people who become member of the said Trusts.

Violation of

Regulation 9(1)(d) of the IRDA (Licensing of Corporate Agents) Regulations, 2002

**Submissions of Corporate Agent:** The CA has submitted that it never compelled anybody seeking admission to its membership to take insurance. The observation in the report that there is force selling is purely hypothetical and lacking supportive evidence. The CA has further stated that it used to induct members even without insurance coverage. So the finding itself is not correct. The return on investments made out of the membership contribution is utilised for charitable activities after meeting administrative expenditure and Insurance coverage is free.

**Charge No.4** The Corporate Agent was in practice of compulsory selling of insurance and investment products to its members at the point of enrolling them into trust membership. This has led to 100% of its business coming from its own trust framework. This has not complied with the provisions of Regulation 9(2)(ii)(i) of the IRDA (Licensing of Corporate Agents) Regulations, 2002. As per the aforesaid Regulations, '*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.*' In this regard, it may be noted that the LIECT could not produce relevant documents covering the details of policies sold over the last few years for verification to enable the inspection team to ascertain the exact proportion of non-life business sold to the general public who are not made members of the trusts.

**Submissions of Corporate Agent:** The CA has submitted that the observation is hypothetical and lacks evidence. While stating that it is admitting members without insurance coverage also, the CA has submitted that it has started procuring business from other sources also. The CA further submitted that it had placed a premium of Rs. 2.83 lakhs from other sources for the last one year.

#### **Decision (on Charges 3 and 4):**

Although the Corporate Agent may enrol some members without the insurance cover, for majority of the members, insurance is being sold by combining it with other benefit and membership admission fee. The premium for the insurance coverage is collected through the membership subscription. Though the Corporate Agent has stated that it does not compel anyone wishing to become a member of the Trust to take insurance, yet the manner in which the application form has been designed indicates that taking up insurance is compulsory. If at all the CA had no intention to compel anyone to take insurance, then the requisite option should have been made available in the Application/Membership form itself to the effect that the anyone not wishing to have insurance could exercise that option. By adopting the membership forms in the present manner and through those forms admitting the members, the members were compelled to take insurance. Thereby the Corporate Agent has violated Regulation 9(1)(d) of the IRDA (Licensing of Corporate Agents) Regulations, 2002.

Regarding the charge that 100% of the CA's business was procured from its own trust framework resulting in violation of Regulation 9(2)(ii)(i), the CA's submission clearly substantiates the position that prior to last year it was procuring the business only from its own trust framework. Secondly, even last year also the business they claim to have procured from other sources is Rs.2.83 lakh. Here also, the figure of Rs.2.83 lakh claimed to have been procured as premium during the last year from other sources could be far less than the 50% premium mandated by Regulation 9(2)(ii)(i). Therefore, this is a violation of the said Regulation.

Therefore, for the violations noticed as above under Charges 3 and 4, the Authority levies a penalty of Rs.5,00,000/- (Rupees Five lakh only) under Section 102(b) of Insurance Act, 1938.

Further, the CA is directed

- (i) to stop forthwith claiming that insurance cover is free.
- (ii) to comply with Clause 3(ii)(h) of the Code of Conduct prescribed in Schedule III attached to Regulation 26(1) of the IRDAI (Registration of Corporate Agents) Regulations 2015

**4. Charge No.5 - Model adopted in selling of Insurance Policies:** It was observed that the Trust body, namely, LICBF is in the practice of selling insurance policies to the general public through its field workers without holding a valid license to sell such insurance policies. It was also noticed that the field workers who are actually soliciting the insurance business are not recognized by the IRDA to sell insurance policies as such sales force are not qualified as per the provisions of the IRDA (Licensing of Corporate Agents) Regulations, 2002. However, commissions are being paid to them by the LIECT. The form contains the name of the Agent with a distinct code number which the LIECT could not explain to the inspection team. The business acquired by the above unlicensed agency (LICBF) was in turn transferred to the LIECT

for further transmission to the insurance company, namely, NIC. This is a clear case of selling insurance policies by LIECT through unlicensed entities under a multilevel selling mechanism.

Life India Educational and Charitable Trust (LIECT) was the Corporate Agent (CA) of National Insurance Company (NIC) (Under License No.530849) and Life Insurance Corporation of India (LIC)(Under License No.82003798). The CA license with LIC has expired with effect from 15/01/2010. With regard to expiry of license with NIC, it was informed by NIC, Aluva Divisional Office that the application for the renewal of the license was sent to their regional office on 30/01/2014 and certain queries were raised by their regional office. However, the Authority had not received any application for the renewal of the above license from National Insurance Company Ltd leading to upholding of the expiry status of the CA license of LIECT. The LIECT is in practice of selling non-life insurance policies without a valid license for the period from 24<sup>th</sup> April, 2014 till date through their 527 field workers. The exact figure could not be provided by the LIECT for verification) who are working from 9 offices of LIECT spreading over the state of Kerala. On discussion with the Trust officials, it was evident that those field workers have no license to sell insurance policies. Further, the trust membership forms contain Agent Details with specific Code Nos. which is again misleading and hiding the actual insurance activities of the Trust. As a consequence, the LIECT is effectively selling insurance policies without valid license through unlicensed sales force. It may also be noted that even during their currency of license, the Trust was actively involved in procuring insurance policies through "introducers"/field workers following the multi level selling framework as mentioned above.

The NIC is in practice of accepting insurance business from unlicensed entities like LIECT. The insurer has no automatic functionality in their system to make the agency code inactive after the date of expiry of the license leading to a vulnerable and human dependent system. The CA code was not deactivated even after 6 months of expiry of the license. The NIC, Divisional Office was well aware of the lapsed condition of the corporate agent License as evident from the various communications the Divisional Office had with its corporate office. It is pertinent to mention that over the period from 24/04/2014 (date of expiry of license) till date of inspection, National Insurance company (NIC) had accepted the premium of Rs 33.34 Lakh from Life India Educational and Charitable Trust and had paid the commission of Rs 4.66 Lakh during this period.

The principle of selling of Life Insurance Policies adopted by the LIECT as a corporate agent of LIC is identical to that of Non-life insurance business with an exception that the membership form did not reveal any indication of selling life insurance policies to the general public before making them members of the Trust. The LIECT could not provide any data on their life insurance activities during the visit of their office at Muvattupuzha. In absence of such data, it was not possible to comment on life insurance policies sold by them. However, simultaneous visit to a nearby branch office of LIC helped in collection of few statistics on quantum of sale of life insurance policies by the LIECT. As per the data provided by the LIC, the Muvattupuzha branch (Code No. 798) was the only branch which transacted business with the LIECT.

Violation of:

- 1) Regulation 9(1) of IRDA (Licensing of Corporate Agents) Regulation 2002
- 2) Paras 2, 8 and 17 of guidelines on Licensing contained in Corporate Agents Circular No. 017/IRDA/Life/Circular/CA Guidelines/2005, dated 14-7-2005
- 3) Regulation 9(2) (ii) (a) of IRDA (Licensing of Corporate Agents) Regulations, 2002

**Submissions of Corporate Agent:** The observation in para 7 is again a repetition of the observations made in para 1 to 6 of the report:

A. The CA has submitted that its field workers admitted only members to the trust and they didn't sell any insurance policies to public. Hence the question of holding valid agency license to field workers does not arise. The allegation in the report of multilevel selling is incorrect and is not based on any evidence. There is no multilevel selling in the trust.

B. The amount paid to field workers as mentioned in the report Rs. 85261/-(2011-12) & Rs. 68192.86(2012-13) is to meet the expenses incurred by them to work for the trust.

C. The CA's previous agency license expired on 24/04/2014 and it had submitted the renewal application along with all supporting documents and required fees on 30/01/2014 and it did not get any reply either from the insurance company or from the IRDA about the status of the application. In this regard, the CA has stated that Clauses 3.(3), 3.(4) & 3.(5) of the IRDA (Licensing of Corporate agents) Regulations 2002 clearly specify that the renewal application should be finalized within 3 months or if it is likely to get delayed, the reason for such delay should be informed in writing to the agent within 60 days. No such reply was received by the CA. In 2008 & 2011 it took about 6 months to one year to get the license renewed.

D. The CA had deposited the premium with the insurance company to avoid violation u/s 64VB. But the insurance company never issued any policy in the period from June to December 2014. The statement made in the report that commission of Rs. 4.66 lakh is paid to the trust is totally false.

E. The CA worked as LIC agent till 2009-10 and has submitted that it cannot deny any person from renewing his policy or giving service to him for renewing the policy. In such a way it is true that the CA has received only renewal commission in that context. The question of the released commission to CA for its services in period 2011 to 2014 has to be answered by LIC.

F. Regulation 9(2)(ii)(a) of the IRDA Licensing of Corporate agents Regulations 2002 shall not be applicable to CA since it was holding IRDA issued Corporate Agents License without any break from 25/04/2002 to 24/04/2017. The CA also had company issued license from 1998 to 2002. Explanation given in para 7 C may be read as part of

the above point. The CA had received the CA License valid from 25/04/2011 only on 23/11/2011 that is seven months after the expiry of license.

G. The CA never violated Para 2 of the CA guidelines dt. 14/07/2005 since the CA claims that it never uses any other modes like introducers, finders or sub agents for canvassing insurance business. The word agent wherever comes is not exclusively mean Insurance agent. The word agent is used in different context such as shipping agent, real estate agent etc. etc. Since the CA put agent's name in its application form cannot be interpreted that its membership application form is an insurance Proposal and its field worker is an insurance agent.

H. The CA never violated para 8 of the CA guidelines dt. 14/07/2005 since the CIE and SP are its full time employees. It is evident from renewing its license uninterruptedly from 25/04/2002 onwards that IRDA had satisfied its qualification status.

I. The CA never violated para 17 of the CA guidelines dt. 14/07/2005 as submitted in paras A to H above.

**Decision:**

The point of interaction with the prospective members is the collection of membership form along with the membership fee (which consists of the premium component for insurance). Hence the same has to be reasonably treated as point of solicitation for insurance. The CA is selling insurance through persons who are not having required qualification. Thereby CA is violating Regulation 9(1) (b) of IRDA (Licensing of Corporate Agents) Regulation 2002 and paras 2, 8 and 17 of guidelines on Licensing contained in Corporate Agents Circular No. 017/IRDA/Life/Circular/CA Guidelines/2005, dated 14-7-2005 which prescribe that the sale of insurance products shall only be done by persons qualified as "specified persons".

Regulation 9(2) (ii) (a) of IRDA (Licensing of Corporate Agents) Regulations, 2002 states that no corporate agent / specified person shall solicit or procure insurance business without holding a valid license. The Corporate Agent's submission that the license was renewed on 07/01/2015 with retrospective effect from 25/04/2014 is taken on record. However it is clear that the Corporate Agent has solicited or procured insurance business through persons who are not duly qualified to solicit insurance. The Corporate Agent is warned against following such business practice.

**6. Charge No. 6** - Claims Management: The LIECT had informed the inspection team during visit to their office that the Trust is not involved in any of the insurance claims related activities. However, on examination of various documents at National Insurance Company (NIC) Divisional Office at Aluva, it was observed that the NIC is in practice of sending remittances against hospitalization claims to the LIECT. As the LIECT did not provide any data on claims, it was not possible for the inspection team to ascertain on whether the claim amounts received by the LIECT from the insurer were



actually forwarded to the claimants. The insurer has not taken any initiative and also not adopted any control mechanism to ensure that the claim amounts have ultimately reached the beneficiary/policyholder.

In case of Accidental Death benefit claims where the beneficiary is a minor, the insurer (NIC) is in practice of purchasing Fixed Deposit in the name of the minor for a period till the minor reaches majority without having any mandate from the policyholder beforehand or from the claimant. The LIECT has not provided this vital information on claims settlement to the policyholders violating the provision of Regulation 9(2)(i)(c) of the IRDA (Licensing of Corporate Agents) Regulations, 2002

Violation of

- a) Regulation 9(2)(i)(j) of IRDA (Licensing of Corporate Agents) Regulations 2002
- b) Regulation 9(2)(i)(c) of the IRDA (Licensing of Corporate Agents) Regulations, 2002

#### **Submissions of Corporate Agent:**

The CA has submitted that it is collecting all claim related documents from its members and forwards the same to Insurance company, and ensures that the claims are settled in time and payments are made to the concerned persons. At the same time it has never interfered in the claim settlement process which was done by the insurance company.

The CA has further submitted that for the last 17 years, there were no antecedents found from the part of its service to its members. So far no complaint or any litigation ensued by any members against the trust.

Regarding the payment of claims to minor nominee arising out of death under Personal Accident policy, the same is done by the Insurance Company only. The CA has submitted that it understands that the disbursement under fixed deposit receipt in the name of minor nominee is on legal grounds only. If the same practice is wrong the CA has stated that the authority may advise the Insurance Company accordingly.

#### **Decision:**

Regulation 9(2)(i)(j) of IRDA (Licensing of Corporate Agents) Regulations 2002 mandates that *'Every corporate agent or a corporate insurance executive or a specified person shall render necessary assistance to the policyholders or claimants or beneficiaries in complying with the requirements for settlement of claims by the insurer'*.

The inspection observation states that the CA did not make available to the inspection team the details of the claims data. In the absence of such a data, the inspection could not assess whether the CA had rendered the assistance to the claimants. Further, the inspection observation states that the inspection could not verify whether

the claim amount released to the CA for disbursement to the claimants actually reached the claimants or not. In such a situation when the CA has failed to provide the details to the inspection, its submission that it had provided the necessary assistance to the claimants is not acceptable. Hence the inspection observation that the CA did not provide the assistance to the claimants is correct and hence the CA had violated the Regulation 9(2)(i)(j) of IRDA (Licensing of Corporate Agents) Regulations.

In regard to the cases of Accidental Death benefit claims where the beneficiary is a minor, the insurer (NIC) is in practice of purchasing Fixed Deposit in the name of the minor for a period till the minor reaches majority. In regard to this charge, the CA has attempted to argue that the said practice is legal and that if the said practice is wrong, the Authority may advise the Insurance Company accordingly. In this connection, the CA must note that it cannot wash off its responsibility by unilaterally concluding that the practice is on legal grounds or that the said practice was being followed by the insurer and the CA has no role to play in regard to that. When the CA was aware of this practice, it should have brought to the notice of the proposer/insured beforehand the practice followed by the insurer and should have obtained a mandate from the proposer/insured. By failing to do so, the CA has violated Regulation 9(2)(i)(c) of the IRDA (Licensing of Corporate Agents) Regulations, 2002 which prescribes that '*Every corporate agent or a corporate insurance executive or a specified person shall disseminate the requisite information in respect of insurance products offered for sale by his insurer and take into account the needs of the prospect while recommending a specific insurance plan*'.

Therefore, for this violation, the Corporate Agent is warned against adopting such a lackadaisical attitude in regard to rendering assistance to the policyholder or claimant and in the matter of providing to the prospect the requisite information in respect of insurance products offered for sale. Further, the CA is directed to comply with Regulation 24(1) and Clause 3(1) (b) of the Code of Conduct prescribed in Schedule III attached to Regulation 26(1) of IRDAI (Registration of Corporate Agents) Regulations, 2015.

7. **Charge No. 7** - The LIECT is in practice of not maintaining necessary records of sales force (in this case, sales force is unlicensed) soliciting insurance business.

Violation of

Regulation 14 of the IRDA (Licensing of Corporate Agents) Regulations, 2002

**Submissions of Corporate Agent:** The observation in para 9 of the report is not correct and hence denied. The CA has submitted a copy of register maintained u/s 19 of the IRDA regulations.

**Decision:**

Regulation 14 of the IRDA (Licensing of Corporate Agents) Regulations, 2002 makes it mandatory for every CA to "maintain a register which shall contain the name, address, telephone no, photograph, date of commencement of employment, date of leaving the service, if any, salary paid to the specified person."

The documents submitted by the CA in support of its claim that it maintains the register of its sales force do not contain sufficient details about its sales force and hence is not acceptable. The Corporate Agent is warned for such lapse and directed to ensure correct and full compliance of Regulation 30(v) of IRDA (Registration of Corporate Agents) Regulations, 2015, scrupulously.

**8. Charge No.8 :** The LIECT is in practice of not maintaining proper records on collection of membership fees along with insurance premiums and reimbursement of the same to the insurer. In the absence of such records, compliance/non-compliance with the provisions of Section 64VB of the Insurance Act, 1938 could not be established. It may also be pertinent to indicate that the LIECT could not produce audited/unaudited statement of accounts as at 31/03/2014 during the course of inspection.

**Submissions of Corporate Agent:** The entire income & expenses of the Trust is accounted and audited since inception of the Trust. The accounts are being constantly monitored by the income tax department also. The copies of all audited accounts are submitted to the insurance company at the time of renewal of license and inspection by RO team. During the time of investigation the audited account for the FY 2013-14 was not finalized which is now attached.

**Decision:**

Clause 20 of Guidelines on licensing of Corporate Agents contained in Circular No. 017/IRDA/Circular/CA Guidelines/2005, dated 14.7.2005 states that the agent shall provide to the insurer a complete set of records including completed proposal forms, copies of policies, premium register with particulars of payment to the insurer on daily / weekly basis. It is observed that Corporate Agent is not maintaining records in respect of premium and other details. Further, the Annexure-07 submitted by the CA in support of their response is not sufficient to address the concern raised in the Inspection report. Though this is tantamount to violation of Circular No. 017/IRDA/Circular/CA Guidelines/2005, dated 14.7.2005, taking an objective view of the details furnished by the CA, the Authority advises the CA to strictly follow the instructions contained in the said circular by fulfilling every requirement prescribed therein. Compliance in this regard should be intimated to the Authority within 15 days..

**In conclusion:**

(1) As directed under the respective charges, the penalty of Rs.5,00,000/- (Rupees Five lakh only) shall be remitted to Insurance Regulatory and Development Authority of

India within a period of 15 days from the date of receipt of this order. The penalty shall be remitted through NEFT as per details to be intimated to the Corporate Agent through a separate e-mail. The transfer shall be made under intimation to Shri P.K.Maiti, JD (Enforcement).

(2) The Corporate Agent's attention is drawn to "IRDAI (Registration of Corporate Agents) Regulations 2015" which have come into force w.e.f. 1<sup>st</sup> April, 2016 and the guidelines issued by the Authority vide Circular No. IRDA/CAGTS/GDL/LCE/202/11/2015 dated 18<sup>th</sup> November, 2015. In this connection, as required under Regulation 1(3) of the said Regulations and the instructions contained in the above referred circular, the Corporate Agent is directed to apply immediately to the Authority and seek a fresh Certificate of Registration to function as Corporate Agent.

Further,

(a) The Corporate Agent shall confirm compliance in respect of the directions referred to in this order, within 15 days from the date of receipt of this order.

(b) If the corporate agent feels aggrieved by any of the decisions in this order, an appeal may be preferred to Securities Appellate Tribunal under Section 110 of the Insurance Act, 1938.

  
(V.R. Iyer)  
Member (F&I)  


Place : Hyderabad  
Date : 22nd September, 2016