



MINUTES OF THE 98th MEETING OF THE AUTHORITY

held on 28th August, 2017 at 10.30 AM at Hyderabad

Present:	Chairman	Shri T.S. Vijayan
	Whole-time Member	Ms Pournima Gupte
	Whole-time Member	Shri Nilesh Sathe
	Whole-time Member	Shri PJ Joseph
	Part-time Member	Smt. Sushama Nath
	Part-time Member	CA Nilesh S Vikamsey
	Part-time Member	Shri S.B. Mathur

Also present:

Designated Officer	Shri M. Pulla Rao ED (Gen)
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Chairman welcomed the Members present. He extended a special welcome, in absentia, to Shri Ravi Mital, Additional Secretary, DFS, MoF, Gol, who was appointed as Part-time Member of the Authority. He complimented Shri N. Srinivasa Rao, Economic Advisor, for his valuable contribution to the Authority as Part-time Member. Since the quorum was present, the agenda was taken up.

4. Quarterly statement of foreign tours undertaken by Chairman and Members for the period from 01/04/2017 to 30/06/2017

Executive Director (Gen) presented the Agenda for information, which was noted by the Authority.

7. Status of Public Disclosures by Life and General insurers for the year ended March, 2017

General Manager (F&A - Non-life) presented the Agenda. It was informed that AIC of India had also uploaded the requisite forms on website.

The same was noted by the Authority.

12. IRDAI (Insurance Brokers) Regulations, 2017

Chief General Manager (Intermediaries) made a presentation on draft IRDAI (Insurance Brokers) Regulations, 2017, which focussed on the proposed changes in the draft regulations following the meeting of the IAC. The changes proposed in the draft regulations included the following:

1. The revised paid-up capital for direct insurance broker is proposed as Rupees seventy five lakhs.
2. The existing direct brokers will be given two years' time to undertake the increase in paid-up capital requirements to Rupees seventy five lakhs.
3. An additional point is proposed to be introduced in the code of conduct pertaining to furnishing of information, wherein every insurance broker shall ensure that the information provided by the client and in the broker's slip/document given to insurer on the basis of which the risk is accepted by the insurer is made part of the proposal form and shared with the client and the insurer. Any wrongful submission of information may be dealt as per the terms and conditions of the insurance contract.
4. The basis of calculation of ceiling of business from single client is proposed to be changed to remuneration.
5. The filing of audited financial statements with the Authority within 30 days of holding the AGM or 30th September whichever is early.
6. The filing of an annual certificate from the auditor on compliance of the various provisions of insurance broker regulations.
7. The principal officer and the broker qualified person to appear and pass broker examination within one year of completion of training.
8. The condition of promoter not being a subsidiary may be considered on merits by Chairman subject to conditions as broker is not on par with insurance companies.

9. The insurance broker shall be required to remit premium/claims to reinsurers/insurers/foreign insurance broker not later than fifteen days instead of seven days as that is the normal time taken to remit the amounts in normal course of business.

After due deliberations, the Authority approved IRDAI (Insurance Brokers) Regulations, 2017.

13. IRDAI (Payment of commission or remuneration or reward to insurance agents or insurance intermediaries) (Second Amendment) Regulations, 2017

Chief General Manager (Intermediaries) made a presentation on draft IRDAI (Payment of commission or remuneration or reward to insurance agents or insurance intermediaries) (Second Amendment) Regulations, 2017. It was informed that the draft regulations were the same as the ones that were presented in the IAC meeting. Chairman invited views on the proposed draft regulations from the members.

Smt. Sushama Nath observed that there could be additional burden on general insurers because of the increase in commission/remuneration to be paid to insurance agents and insurance intermediaries. It was explained that the purpose of increasing the commission/remuneration was to incentivise the insurance agents/insurance intermediaries to help improve coverage.

After due deliberations, the Authority approved IRDAI (Payment of commission or remuneration or reward to insurance agents or insurance intermediaries) (Second Amendment) Regulations, 2017.

14. Guidelines on Motor Insurance Service Provider

Chief General Manager (Intermediaries) made a presentation on draft Guidelines on Motor Insurance Service Provider. It was informed that the draft guidelines were the same as the ones that were presented in the IAC meeting.

Based on the above, the Authority took note of the Guidelines on Motor Insurance Service Provider.

15. Motor Third Party Insurance pricing for the year 2017-18

A detailed note on Motor Third Party Insurance pricing for the year 2017-18 was placed before the Authority for information and the same was noted.

Table Item No. 3 Status Report on construction of IRDAI Building

Executive Director (Gen) presented the Status Report on construction of IRDAI new building. It was submitted that 95% civil work and 90% electrical work had been completed. The work in respect of security systems and networking were in progress. It was informed that most probably the building would be ready for occupation in October, 2017.

The same was noted by the Authority.

CHAIRMAN