

Is your insurance company listening to you?



If your complaints have not been addressed by your insurance company, please contact

IRDA Grievance Call Centre

 Toll Free No.: 152555

to register your complaints and track their status or you may email us at complaints@irda.gov.in



A public awareness initiative by

बीमा विनियामक और विकास प्राधिकरण

**INSURANCE REGULATORY AND
DEVELOPMENT AUTHORITY**

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**INSURANCE REGULATORY AND
DEVELOPMENT AUTHORITY**



Handbook on
Insurance Intermediaries

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1. About this handbook

This handbook is designed by the Insurance Regulatory and Development Authority (IRDA) as a guide on **Intermediaries** and gives general information only. No information given herein replaces or overrides the provisions of the relevant Law/s, Rule/s or Regulation/s.

2. Insurance Intermediaries

- Insurance is a complex product representing a promise to compensate the insured or third party according to specified terms and conditions in the event of the occurrence of a covered contingency. In most insurance transactions there is usually an intermediary - an insurance agent (individual or corporate) or an insurance broker.
- Insurance intermediaries serve as a bridge between consumers (seeking to buy insurance policies) and insurance companies (seeking to sell those policies).
- Insurance brokers are licensed by the IRDA and governed by the Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2002. Individual insurance agents and corporate agents are also licensed by the IRDA and governed by the Insurance Regulatory and Development Authority (licensing of Individual Insurance Agents) Regulations, 2000 and the Insurance Regulatory and Development Authority (Licensing of Corporate Agents) Regulations, 2002, respectively. These Regulations lay down the Code of Conduct for the respective intermediaries.
- An intermediary has a distinct role to play in the entire life cycle of a product, from the point of sale

through policy servicing, up to claim servicing. An intermediary shall provide all material information with respect to a proposed cover to enable the prospect to decide on the best one. The intermediary is expected to advise the prospect with complete disclosures and transparency.. After the sale is effected, the intermediary must coordinate effectively between the customer and the insurer for policy servicing as well as claim servicing.

- IRDA has prescribed regulations for protecting the interests of policyholders casting obligations not only on Insurers but also Intermediaries. These prescribe obligations at the point of sale as well as policy servicing and claims servicing.

TIPS ON DEALING WITH INSURANCE INTERMEDIARIES

- While dealing with Insurance Intermediaries, check out the following:
- Ask for and check whether the person holds a valid licence and is authorized for the particular business. For example the Intermediary should be licensed to sell life insurance or general insurance or both (holding a composite licence). A referral always helps.

- Check whether he or she has a good knowledge of various insurance products/policies
- He or she should understand your needs and what you are seeking. Always ensure that you consider only products that you can afford. Beware of tall promises and over-selling tactics. Consider only what you can afford.
- Ask questions and understand the policy terms and conditions of the policy the Intermediary is trying to explain to you.
- You must be satisfied that you understand what your commitments are. What are the payments or amounts that you have to bear not only when you take the policy but when you surrender it or when you make a claim.
- Ask for brochures and sales literature pertaining to the product you are considering or the intermediary is trying to sell. Get the intermediary to explain the full facts of the products, scope of cover and exclusions, as applicable.
- Insist on quality delivery and timely service. You can judge this by the turnaround time of the intermediary during the period of pre-sale when he or she is dealing with you.

- Fill up the proposal form yourself. Never ever sign on a blank proposal form. If you find terms in the proposal form that you do not understand, ask the intermediary to explain it to you.
- When you make premium payments through an Intermediary, check whether he is authorized to do so by the insurance company and insist on a duly signed receipt immediately.
- After receipt of your policy, go through it thoroughly and if you do not understand certain terms contact your intermediary and get them explained. Remember, for life insurance and for health insurance policies of a term of three years or more, there is a free-look period within which you may return the policy if you do not agree with the terms and conditions therein.
- Ask the intermediary questions about documents and procedures involved in making a claim and understand them completely. In the event of a claim, there may be other agencies you may have to intimate apart from the insurance company. Get complete details about what you are expected to do.

3. FAQs on Insurance Intermediaries

Q. Who is an Insurance Intermediary?

Ans. An Insurance Intermediary means individual agents, corporate agents including banks and brokers –they intermediate between the customer and the insurance company. Insurance Intermediary also includes Surveyors and Third Party Administrators but these intermediaries are not involved in procurement of business. Surveyors assess losses on behalf of the insurance companies. Third Party Administrators provide services related to health insurance for insurance companies.

Q. Who is an Agent?

Ans. An agent is a person who is licensed by the Authority to solicit and procure insurance business including business relating to continuance, renewal or revival of policies of insurance. An agent could be an Individual Agent or a Corporate Agent. An Individual Agent, as the name suggests is an individual who

in an intermediary representing an insurance company while a corporate agent is an intermediary other than an individual, representing an insurance company.

Q. What does Designated Person of a Corporate Agent mean?

Ans. A Designated Person means an officer normally in charge of marketing operations, as specified by an insurer, and authorized by the Authority to issue or renew licences under the applicable regulations.

Q. Who is a Composite Insurance Agent?

Ans. A Composite Insurance Agent means an insurance agent who holds a licence to act as an insurance agent for a life insurer and a general insurer.

Q. Who is an Insurance Broker?

Ans. An Insurance Broker means a person licensed by Insurance Regulatory and Development Authority who arranges insurance contracts

with insurance companies on behalf of his clients. An Insurance Broker may represent more than one insurance company.

Q. What is the difference between an “Agent” and a “Broker”?

Ans. While an Agent represents only one insurance company (one general, one life or both if he is a composite agent, apart from a health insurance company), a Broker may deal with more than one life or general or both.

Q. Are “Surveyors” and “Third Party Administrators” also Intermediaries?

Ans. Surveyors and Third Party Administrators are also termed as Intermediaries but they are not involved in marketing of insurance.

Q. Are “Agents” and “Brokers” required to be licensed?

Ans. Yes. Agents and Brokers have to be licensed by the Insurance Regulatory and Development

Authority (IRDA) for life insurance or general insurance or both. They also are bound by a Code of Conduct laid down in the respective regulations.

Q. Can the Intermediary give me a discount on the premium I am supposed to pay?

Ans. No intermediary can offer any discount to you to induce you to take the policy. If any such inducement is resorted to, it is in violation of Section 41 of the Insurance Act, 1938 and all parties involved would be subject to prosecution as provided by the Law.

Any discount on premium you receive would be only in terms of what the policy allows and it is given by the insurance company.

Policyholder Servicing Turnaround Times as prescribed by IRDA

Service	Maximum Turn Around Time
General	
Processing of Proposal and Communication of decisions including requirements/issue of Policy /Cancellations	15 days
Obtaining copy of the proposal	30 days
Post Policy issue service requests concerning mistakes/refund of proposal deposit and also Non-Claim related service requests	10 days
Life Insurance	
Surrender value/annuity/pension processing	10 days
Maturity claim/Survival benefit/penal interest not paid	15 days
Raising claim requirements after lodging the Claim	15 days
Death claim settlement without Investigation requirement	30 days
Death claim settlement/repudiation with Investigation requirement	6 months
General Insurance	
Survey report submission	30 days
Insurer seeking addendum report	15 days
Settlement/rejection of Claim after receiving first/addendum survey report	30 days
Grievances	
Acknowledge a grievance	3 days
Resolve a grievance	15 days

5. If you have a grievance:

The Consumer Affairs Department of the Insurance Regulatory and Development Authority (IRDA) has introduced the Integrated Grievance Management System (IGMS) which is an online system for registration and tracking of grievances. You must register your grievance first with the insurance company and in case you are not satisfied with its disposal by the company, you may escalate it to IRDA through IGMS by accessing www.igms.irda.gov.in. In case you are not able to access the insurer's grievance system directly, IGMS also provides you a gateway to register your grievance with the insurer.

Apart from registering your grievance through IGMS (i.e., web), you have several channels for grievance registration-through e-mail (complaints@irda.gov.in), through letter (address your letter to Consumer Affairs Department, Insurance Regulatory and Development Authority, 3rd Floor, Parishram Bhavan, Basheerbagh, Hyderabad:4) or simply call IRDA Call Centre at **Toll Free 155255** through which IRDA shall, free of cost, register you complaints against insurance companies as well as help track its status. The Call Centre assists by filling up the complaints form on the basis of the call. Wherever required, it will facilitate in

filing of complaints directly with the insurance companies as the first port of call by giving information relating to the address, telephone number, website details, contact number, e-mail id etc of the insurance company. IRDA Call Centre offers a true alternative channel for prospects and policyholders, with comprehensive tele-functionalities, serving as a 12 hours x 6 days service platform from 8 AM to 8 PM, Monday to Saturday in Hindi, English and various Indian languages.

When a complaint is registered with IRDA, it facilitates resolution by taking it up with the insurance company. The company is given 15 days time to resolve the complaint. If required, IRDA carries out investigations and enquiries. Further, wherever applicable, IRDA advises the complainant to approach the Insurance Ombudsman in terms of the Redressal of Public Grievances Rules, 1998.

Disclaimer:

This handbook is intended to provide you general information only and is not exhaustive. It is an education initiative and does not seek to give you any legal advice.