

CONSULTATION PAPER ON PROPOSED IFSCA (INSURANCE WEB AGGREGATORS) REGULATIONS, 2021

Objective:

The objective of this consultation paper is to seek comments / views/ suggestions from public on the proposed International Financial Services Authority (Insurance Web Aggregator) Regulations, 2021.

Background:

1. The International Financial Services Centres Authority (IFSCA) is the unified regulator for the development and regulation of financial products, financial services and financial institutions in the International Financial Services Centres (IFSCs) in India.
2. The Authority has notified IFSCA (Insurance Intermediary) Regulations, 2021 on regulatory framework for registration and operations of Intermediaries or Insurance Intermediaries such as Insurance Brokers, Corporate Agents, Third Party Administrators and Surveyors and Loss Assessors.
3. IFSCA recognizes that the insurance intermediaries play an important role in developing retail insurance business by bringing the clients across the globe and insurers on a common platform. Now, it is proposed that regulatory framework for registration and operations of Insurance Web Aggregators may be put in place enabling registration of Insurance Web Aggregators in the IFSC, focusing on development of retail insurance business from the IFSC.
4. The proposed IFSCA (Insurance Web Aggregator) Regulations, 2021, *inter-alia*, specify:
 - (1) Who can set-up IFSC Insurance Web Aggregator Intermediary Office (IIO) in IFSC:
 - (a) A company or LLP incorporated in India; or
 - (b) a body corporate incorporated under the law of any country outside India.
 - (2) Conditions of registration including requirement of Minimum capital, Net-worth and Professional Indemnity policy.
5. The draft regulations are placed on the website of the IFSCA at <https://ifsc.gov.in/PublicConsultation>. General public and stakeholders are requested to forward their comments / suggestions through e-mail to Mr. Bhaskar Khadakbhavi at bhaskar.khadakbhavi@ifsc.gov.in with a copy to Mr. Rishi Kale at rishi.kale@ifsc.gov.in by 20th December, 2021 in the format attached with this paper (refer last page). It is further requested to provide comments in MS Word or MS Excel format.

**DRAFT - INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY
(INSURANCE WEB AGGREGATORS) REGULATIONS, 2021**

F. NO. IFSCA/2021-22/GN/REGXXX - In exercise of the powers conferred by sub-section (1) of Section 28 read with Section 12 and 13 of the International Financial Services Centres Authority Act, 2019, Section 42D and 42E of the Insurance Act, 1938, the International Financial Services Centres Authority hereby makes the following Regulations namely: -

**CHAPTER- I
PRELIMINARY**

1. Short title and commencement:

- (a) These Regulations may be called the International Financial Services Centres Authority (Insurance Web Aggregators) Regulations, 2021.
- (b) These Regulations shall come into force on the date of their publication in the Official Gazette.

2. Objective:- These Regulations aim to put in place process of process of registration and operations of Insurance Web Aggregator in an International Financial Services Centre under the regulatory purview of the International Financial Services Centres Authority Act, 2019 (50 of 2019).

3. Definitions:-

- (1) In these Regulations, unless the context otherwise requires, the terms defined herein shall bear the meanings as assigned to them below and their cognate expressions shall be construed accordingly- “Act” means the International Financial Services Centres Authority Act, 2019 (50 of 2019);
 - (a) “Act” means the International Financial Services Centres Authority Act, 2019 (50 of 2019);
 - (b) Applicant means: –
 - (i) a company incorporated under the Companies Act, 2013 (18 of 2013);
 - (ii) A limited liability partnership formed under the Limited Liability Partnership Act, 2008 (6 of 2009);
 - (iii) Any other person permitted by the Authority to act as an Insurance Web Aggregator.

Explanation: A body corporate incorporated outside India can form a company or limited liability partnership for making an application under these Regulations.

- (c) “Agreement” for the purposes of these Regulations means an agreement entered into between an Insurance Web Aggregator and an Insurer;
- (d) “Authorized Verifier” for the purposes of these Regulations means and includes a person employed by the Insurance Web Aggregator or a Telemarketer for insurance solicitation and procurement through Telemarketing and Distance Marketing mode and who has undergone training and passed the examination as specified by the Authority;
- (e) “Authority” means the International Financial Services Centres Authority established under section 4 (1) of the Act;
- (f) “Distance Marketing” for the purpose of these Regulations means to the process of solicitation or sale of insurance products where the consumer is physically not present at the point of solicitation or sale or the conclusion of the sale, and the process is carried out through telephone or Short Messaging Service (SMS) or email or Internet or web services;
- (g) “Insurer” means and includes IFSC Insurance Office (IIO) registered under the IFSC (Registration of Insurance Companies) Regulations, 2021 and insurers, reinsurers registered outside India by its home country regulatory or supervisory authority;
- (h) “Insurance Web Aggregator” or “IWA” for the purpose of these Regulations means an insurance intermediary registered by the Authority under these Regulations to assist a prospective buyer in purchasing an insurance policy, using a website or portal maintained by IWA;
- (i) “IRDAI” means Insurance Regulatory and Development Authority of India established under the provisions of Section 3 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999);
- (j) “Key Management Personnel” or “KMP” for the purposes of these Regulations means Chief Executive Officer, Chief Operating Officer, Chief Marketing Office, Chief Financial Officer, Head Technical, Head IT or such other personnel as specified by the Authority;
- (k) “Lead” for the purpose of these Regulations means information pertaining to a person who has accessed the website of an IWA and has submitted contact

information of any kind for obtaining information on prices or features or benefits of insurance products;

- (l) “Lead Generation” for the purpose of these Regulations means the process of collecting the details of the prospects to ascertain their intention to purchase insurance policy, before proceeding with solicitation of insurance products;
 - (m) “Lead Management System” or “LMS” for the purpose of these Regulations refers to the Software implemented by the IWA for recording, filtering, validating, grading, distribution, follow up and closure of leads from the enquiries received on the website of the Insurance Web Aggregator;
 - (n) “Outsourcing” for the purpose of these Regulations means activities which can be carried out by the IWA as specified in SCHEDULE - 14;
 - (o) "Principal Officer" means —
 - (i) the chief executive officer of an IWA; or
 - (ii) a director / partner or any other person, who has been entrusted with the responsibility to comply with these Regulations;
 - (p) “Solicitation” for the purpose of these Regulations means approaching a prospect by an insurer or an IWA with a view to convince the prospect to purchase an insurance policy;
 - (q) “Telemarketer” for the purpose of these Regulations means an entity registered with Telecom Regulatory Authority of India under Chapter III of The Telecom Commercial Communications Customer Preference Regulations, 2010 (as amended from time to time);
 - (r) “Designated Website” for the purpose of these Regulations means an exclusive website with domain name registered, owned by and used for the functions of the IWA;
- (2) Words and expressions used and not defined in these Regulations but defined in the Act or Acts mentioned in the First Schedule to the Act or any rules, regulations made thereunder, shall have the same meanings respectively assigned to them in those Acts, rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

CHAPTER - II

Registration of IWA

4. Eligibility criteria for registration as IWA

The Authority while considering an application for grant of registration as IWA shall take into account all matters which are necessary for carrying out the functions of the IWA, including but not limited to the following:

- (i) Whether the Applicant is suffering from any of the disqualifications specified under sub-section (5) of section 42 D of the Insurance Act, 1938 (4 of 1938);
- (ii) The Memorandum of Association of the company or incorporation documents of Applicant shall have only the 'business of web aggregation of Insurance Products' as its main object;
- (iii) The Applicant is not engaged in any business other than Web Aggregation of Insurance Products.
- (iv) The Applicant is not appointed / registered as an insurance agent, corporate agent, micro- insurance agent, TPA, surveyor and loss assessor, insurance marketing firm or any other Insurance Intermediary under the relevant regulations notified by the Authority or by any other regulatory or supervisory authority;
- (v) The Applicant shall not have a referral arrangement with an Insurer;
- (vi) In case the group entities of Applicant are engaged in the business of insurance intermediation, the Applicant shall ensure that there is no conflict of interest of any kind and the interests of policyholders are not compromised;
- (vii) The Applicant has the designated website hosted on a sever based in India, to undertake insurance web aggregation for insurance solicitation. The Authority will consider the application on merits if the server is based outside India;
- (viii) The Authorized Verifier has undergone the prescribed training and passed the examination as specified by the Authority;
- (ix) The IWA has not violated the obligations as specified in SCHEDULE – 15 and the Code of Conduct as specified in SCHEDULE – 16 to these Regulations;
- (x) The Authority has not rejected the application for grant of certificate of registration or the Applicant has withdrawn the application for any reason at any time during the preceding financial year from the date of application;

- (xi) Whether the Applicant has the necessary infrastructure viz. adequate office space, equipment, trained and dedicated manpower and IT infrastructure to effectively discharge its activities;
- (xii) Whether the Applicant or any person, directly or indirectly connected with the Applicant, has in past been refused certificate or license by the Authority or the Applicant has withdrawn such application;

Explanation:— For the purposes of this clause, the expression "directly or indirectly connected" means in the case of a firm or a company or a body corporate, an associate, a subsidiary, an interconnected undertaking or a group company of the Applicant. All these terms shall have the same meanings as ascribed to them in the Companies Act, 2013 (18 of 2013)

- (xiii) Whether the Applicant undertakes to fulfil the Capital and Net Worth requirements as specified in Regulation 8 of these Regulations to the satisfaction of Authority;
- (xiv) Whether the Applicant has appointed Principal Officer/Branch Head who is responsible for day to day affairs or conduct of the IWA and other qualified personnel with necessary qualification and experience as may be specified by the Authority.
- (xv) Whether the Principal Officer/ Director(s)/ Promoter(s)/ Partner(s)/Designated Partners/members/ Key Management Personnel/ controlling shareholders are fit and proper person;
- (xvi) Whether the promoters/ investors/ partners/designated partners/members/controlling shareholders of the Applicant are:
 - (a) of sound financial position to make investment in the Applicant;
 - (b) from a FATF compliant jurisdiction or country;

5. Consideration of application –

- (1) An Applicant desirous of operating as an IWA in an IFSC shall submit an application to the Authority in the form specified at SCHEDULE - 1 of these Regulations.
- (2) The application form shall be accompanied with such requisite documents as indicated in SCHEDULE - 2 along with application fees in such manner and within such period as may be specified by Authority.

- (3) Applicants seeking permission for Outsourcing and Telemarketing functions/ facility shall mention the same specifically in the application Form.
- (4) The Authority may specify such additional eligibility conditions as it may deem fit.
- (5) The Authority may also require an Applicant to furnish any additional information and/or clarification and/or documents, as it may deem necessary for the purpose of processing of the application.
- (6) The Applicant shall forthwith bring to the notice of the Authority, on its own, such further information/or clarification, which might have a bearing on consideration of its application.

6. Conditions for grant of registration–

The registration or the renewal of registration granted to IWA under these Regulations shall, *inter-alia*, be subject to the following conditions namely:

- (i) It shall exclusively carry on the business for which the registration has been granted, in the manner as specified in these Regulations;
- (ii) It shall comply with the provisions of the Insurance Act, 1938, IFSCA Act, 2019 and other applicable laws and the Regulations, Circulars, Guidelines and any other instructions issued thereunder from time to time by the Authority;
- (iii) It shall comply with relevant Know Your Customer (KYC) and Anti-Money Laundering (AML) guidelines as may be issued by the Authority from time to time.
- (iv) It shall forthwith inform the Authority in writing, if any information or particulars previously submitted to the Authority by it are found to be false or misleading in respect of any material particular or if there is any material change in the information already submitted;
- (v) It shall take adequate steps for redressal of grievances of its clients;
- (vi) It shall solicit and procure reasonable number of insurance policies commensurate with their resources and the number of Broker Qualified Persons or Specified Person they employ, if applicable;
- (vii) It shall under no circumstance undertake multi-level marketing for solicitation and procuring insurance business;

- (viii) It shall comply with the Code of Conduct as specified at the SCHEDULE - 16 of these Regulations;
- (ix) It shall maintain such books of accounts as specified in these Regulations;
- (x) It shall solicit and procure reasonable number of insurance policies commensurate with their resources and the number of Authorized verifiers engaged by them;
- (xi) It shall maintain records in the format specified by the Authority which shall capture policy-wise and Authorized Verifier-wise details wherein each policy solicited by the IWA through the Authorized Verifier is tagged to that Authorized Verifier. The IWA shall put in place systems which allow regular access to such records and details by the Authority;
- (xii) The grant of registration is in the interest of policyholders;
- (xiii) Such additional conditions as the Authority may deem fit.

7. Procedure for issuance of Certificate –

- (1) The Authority on being satisfied that the Applicant fulfils the conditions as specified under Regulation 6, shall first issue an in-principle approval to the Applicant for compliance with requirements viz, minimum capital infusion, training requirements of branch head, professional indemnity policy and such other requirements as may be deemed necessary by Authority for issuance of Certificate.
- (2) The Authority on being satisfied with the compliance under sub-regulation (1) and also the compliance required to be fulfilled under the provisions of the Act, Rules, regulations, circulars and guidelines may issue a Certificate in the form specified in SCHEDULE - 3 of these Regulations stating thereof category for which registration is granted.
- (3) The certificate granted under sub-regulation (2) shall be valid for a period of three (3) years from the date of its issuance unless revoked or cancelled by the Authority;
- (4) If, after considering the application, the Authority is of the opinion that registration cannot be granted, it shall communicate the deficiencies to the Applicant giving it thirty (30) days' time to rectify them.
- (5) If the Applicant fails to rectify such deficiencies to the satisfaction of the Authority within the specified time, the Authority may refuse to grant

registration and shall communicate the same to the Applicant, giving reasons for such refusal.

Provided that no such refusal shall be made by the Authority without giving the Applicant an opportunity to make written submissions on the grounds on which the registration is proposed to be refused.

8. Capital / Net-worth Requirement –

- (1) An Applicant seeking registration as an IWA under these Regulations shall maintain minimum paid-up capital or contribution as the case may be of USD 30,000 (USD Thirty thousand only) and net-worth equal to 100% of the minimum paid-up capital / contribution;
- (2) In the case of a company limited by shares, the capital shall be in the form of paid-up equity shares;
- (3) The shares of the Applicant company held as capital or contributions in case of LLP or equivalent shall not be pledged in any form or manner to secure credit or any other facility and shall at all times be unencumbered;
- (4) The investment in the Applicant by the promoters/ shareholders/ partners/members shall be from their owned funds and not from any other sources;

Explanation: For the purpose of these Regulations owned funds do not include funds arranged by way of borrowings or loans.

- (5) In case of shortfall in the net worth, the IWA shall immediately restore the same and report compliance of the same;

Provided that where the IWA is in a form other than company, the “net-worth” shall be as specified by the authority.

Explanation: For the purposes of these Regulations, “net worth” shall have the same meaning as assigned to it in the Companies Act, 2013.

- (6) The IWA shall submit to the Authority a paid-up capital and net-worth certificate duly certified by its statutory auditor or Chartered Accountant or Practicing Company Secretary or Practicing Cost and Management Accountant, on half yearly basis.

Chapter - III
Renewal of Registration of IWA

9. Renewal of Certificate -

- (1) The application for renewal of certificate along with renewal fee as specified by the Authority shall be submitted by the IWA in the form specified in SCHEDULE - 4 of these Regulations at least ninety (90) days before the expiry of the certificate. The indicative list of documents to be submitted along with renewal application are specified in SCHEDULE – 5 of these Regulations;

Provided that the IWA shall pay applicable additional fee by way of penalty, if the renewal application does not reach the Authority thirty (30) days prior to the date on which the registration ceases to remain in force, but reaches before the date on which such registration expires;

Provided further that an application for renewal of registration under these Regulations may be considered if the application is filed within a period of sixty (60) days from the date on which the registration ceases to remain in force along with the applicable additional fee by way of penalty, and the Authority is satisfied with the reasons for delay and have condoned the same.

Provided also that a renewal application received after sixty (60) days from the date on which the registration ceases to remain in force will be considered only after a lapse of twelve (12) months from the date of submission of the late application. However, during the interregnum, the certificate of the IWA shall cease to exist and it shall not solicit any new business, except servicing the existing policies till the expiry of the contract.

- (2) The provisions of Regulations 6 and 7 as applicable to the grant of registration shall also apply to an application for renewal of registration of an IWA.
- (3) An IWA whose certificate is expired and is pending for renewal, shall not engage in any fresh insurance business except for servicing the existing policyholders till the renewal of registration.
- (4) The Principal Officer and Authorized Verifier of an IWA shall have completed the requisite training as may be specified by the Authority, before seeking a renewal of certificate.

- (5) The Authority shall, on being satisfied that the Applicant fulfils all the conditions for renewal of the certificate, renew the certificate as per format specified in SCHEDULE - 6 of these Regulations for a further period of three (3) years.
- (6) In case the certificate is cancelled or surrendered or whose renewal is rejected by the Authority, the Applicant may file a fresh application for registration only after one (1) year from the date when such cancellation/surrender/refusal of renewal has become effective.

10. Procedure where a renewal of certificate is not granted –

- (1) If, after considering the application, the Authority is of the opinion that registration cannot be granted, it shall communicate the deficiencies to the Applicant giving it thirty (30) days' time to rectify them.
- (2) If the Applicant fails to rectify such deficiencies to the satisfaction of the Authority within the specified time, the Authority may refuse to grant registration and shall communicate the same to the Applicant, giving reasons for such refusal.

Provided that no such refusal shall be made by the Authority without giving the Applicant an opportunity to make written submissions on the grounds on which the registration is proposed to be refused.

- (3) The refusal to renew certificate shall be communicated by the Authority to the Applicant stating therein the grounds on which the application has been rejected.

11. Effect of refusal to renew the certificate –

- (1) The Applicant, whose application for renewal has been refused by the Authority, shall, on and from the effective date mentioned in the communication to the IWA, cease to act as an IWA.
- (2) The IWA, whose application for renewal has been refused by the Authority, shall continue to be responsible to provide services in respect of contracts already entered through it.

Provided that such a service shall continue only up to the period of expiry of current contracts or for a maximum period of six (6) months, whichever is earlier, within which time, suitable arrangements shall be made by it for having the contracts attended to by another registered IWA for same category.

- (3) The Authority may seek the details of the arrangements as and when required.

Chapter - IV
CORPORATE GOVERNANCE ISSUES PERTAINING TO IWA /
OPERATIONS AND MANAGEMENT

12. Amalgamation and Transfer of business:-

- (1) No IWA shall undertake any scheme of amalgamation or merger & acquisition or transfer of business except in accordance with these Regulations.
- (2) No scheme of amalgamation or merger or acquisition or transfer of business of the IWA shall be implemented without the prior approval of the Authority.
- (3) No scheme of transfer of business of the IWA, whether wholly or partly, shall be implemented by an IWA and notwithstanding such transfer, the transferor continues to act as an IWA, unless the prior approval of the Authority is obtained. However, no transferor shall act as an IWA for such transferred business beyond six (6) months.
- (4) No scheme of transfer of business shall be implemented by an IWA where such transfer results in voluntary surrender of registration by the transferor, without prior approval of the Authority.
- (5) The process for seeking approval shall be in such form and manner as specified by the Authority.

13. Ownership and Control of Shares-

The change in beneficial ownership of shares or contribution and control of the IWA shall be in carried out only in such manner and by following such processes as may be specified by the Authority.

14. Remuneration and reward to be received by an insurance intermediary from an insurer -

The payment of remuneration, reward, fee or any other payment to an IWA by an insurer, by whatever name called, shall be in the mode and manner as specified by the Authority.

15. Board Approved Policy for comparison and distribution of insurance products –

- (a) Every IWA shall have a Board approved policy regarding manner of soliciting insurance products.

- (b) Such approved policy, amongst others, shall include the approach to be followed by the IWA in having multiple tie-ups, type of products sold, mode of solicitation, grievance redressal mechanism, reporting requirements and any other requirement with regard to different business segments and shall be reviewed at least once in three (3) years by its Board or its equivalent.

16. Professional indemnity insurance –

Every IWA shall purchase and maintain at all times a professional indemnity insurance cover as specified in SCHEDULE - 7 of these Regulations throughout the validity of its Registration.

17. Arrangements with insurers for distribution of products: -

- a) No arrangements shall be made by the IWAs with the insurers which are against the interests of policyholders;
- b) The arrangements between the IWAs and the insurers for distribution of products shall be such as may be specified by the Authority.

18. Conflict of interest – While soliciting and procuring the insurance business, the IWA shall comply with the following:

- (a) The IWA having tie-ups with more than one insurer in a particular line of business, shall display to the prospective customer the list of insurers with whom they have arrangements to distribute the products and provide them with the details such as scope of coverage, term of policy, premium payable, premium terms and any other information which the customer seeks on all products available with them;
- (b) The product to be sold shall be based on the need analysis of the prospect.

19. Maintenance of books of account, records, etc. –

- (1) An IWA shall prepare following financial statements for every financial year –
 - (i) a balance sheet as at the end of each financial year;
 - (ii) a profit and loss account for that period, which shall be maintained on accrual basis;
 - (iii) a statement of cash/fund flow (direct method);

(iv) Additional statements on its business as may be specified by the Authority.

Explanation: For the purposes of these Regulations, the financial year shall refer to a period of twelve (12) months commencing from 1st April and ending on the 31st March.

- (2) Every IWA shall submit to the Authority, a copy of the audited financial statements referred to in sub-regulation (1) along-with the auditor's report thereon along with the remarks or observations of the auditor, if any, on the conduct of the business, state of accounts, etc., and a suitable explanation on auditor's observations/remarks from the IWA, within thirty (30) days of holding of the annual general meeting or before 30th September every year, whichever is earlier.
- (3) Every IWA shall, within ninety (90) days from the date of the Auditor's report take steps to rectify the deficiencies, if any, mentioned in the auditor's report and inform the Authority accordingly.
- (4) All the books of account, statements, document, etc., shall be maintained at the office of the IWA in an IFSC and shall be available for inspection by the Authority.
- (5) All the books, documents, statements, contract notes etc., referred to in these Regulations and maintained by the IWA, shall be retained for a period of at least ten (10) years from the end of the year to which they relate.

Provided that, the documents pertaining to the cases where claim is reported and the matter is *sub-judice*, the documents shall be maintained till the disposal of the cases.

Provided also that unless otherwise required in any other laws for the time being in force, all such books, documents, statements, accounts may be maintained in non-editable electronic retrieval form.

- (6) Financial statements shall include a note providing the insurer-wise (including insurer's group companies) details of all the incomes received by it and also the details of payments received by it from its group companies, associates, and related parties.
- (7) An IWA shall make disclosures of all related party transactions in its audited accounts and balance sheet, and shall ensure arm's length principle for all such financial transactions;
- (8) Every IWA shall maintain the Insurer wise records including in electronic form and shall be made available as and when required by the Authority:

- (a) Leads generated and transmitted;
- (b) Leads converted into policies;
- (c) Complaints received and disposed;
- (d) Products Displayed on the website for comparison;
- (e) Remuneration received for Products displayed;
- (f) Remuneration received for leads converted to policies;
- (g) Remuneration received from outsourcing activities;
- (h) Any other Remuneration received from Insurers (mention details);
- (i) Know Your Client (KYC) records of the client, as required under the relevant Authority's guidelines and provisions of Prevention of Money Laundering Act;
- (j) Copy of the proposal form duly signed electronically by the client and submitted to the insurer;
- (k) A register containing list of clients, details of policy such as type of policy, premium amount, date of issue of the policy, charges or fees received;
- (l) A register containing details of complaints received which include name of the complainant, nature of complaint, details of policy issued/solicited and action taken thereon;
- (m) Copies of the correspondence exchanged with the Authority;
- (n) Any other record as may be specified by the Authority from time to time.

20. Disclosures to the Authority-

- (a) The details pertaining to disclosure to be made by the IWAs to the Authority are specified in SCHEDULE - 8 of these Regulations;
- (b) The IWA shall furnish insurer-wise business placed in respect of life, general and health insurance separately, on half yearly basis, in the formats specified by the Authority;

CHAPTER - V
Role and responsibilities of the Authorized Verifier

21. Authorized Verifier:-

- (a) IWA shall be responsible for all acts of omission or commission of the Authorized Verifier deployed on their behalf;
- (b) The role and responsibilities of the Authorized Verifier shall be as specified in SCHEDULE - 9 of these Regulations.

CHAPTER - VI
Activities undertaken and functions performed by IWAs

22. Display of product comparisons on IWA web-site - The conditions relating to display of product comparison on the IWA designated web-site shall be as specified in SCHEDULE -11 of these Regulations.

23. Transmission of leads by IWA to the Insurers: The manner and sharing of leads by the IWA shall be as specified in SCHEDULE - 12 of these Regulations.

24. Online Sale of Insurance by IWAs – The manner and process of online sale of Insurance shall be in compliance with e-commerce guidelines as specified by the Authority.

25. Sale of Insurance by tele-marketing mode and other distance marketing activities of an IWA:-

IWA can use the Telemarketing / Distance Marketing modes, as per the instructions outlined in SCHEDULE – 13 of these Regulations, for solicitation of Insurance based on the leads generated from its designated website.

CHAPTER - VII
Remuneration

26. Remuneration to the IWA: –

- (a) The payment of remuneration to or receipt of remuneration by an IWA shall be as specified by the Authority;
- (b) Remuneration, in any form, shall be payable to IWAs by insurers in

compliance with the following provisions:

- (i) No charges shall be paid for transmission of leads by the IWA to the Insurer;
 - (ii) Leads which are converted into sale of insurance policies will entitle the IWA to earn remuneration as specified by the Authority;
 - (iii) Mutually agreed flat fee towards each product displayed by the IWA in the comparison charts of its web site subject to an overall ceiling as specified, if any, by the Authority;
 - (iv) IWA can undertake Outsourcing functions to provide 'Insurance Services' to Insurers in respect of policies procured through them. In such cases the insurer may pay the IWA, reasonable service charges at mutually agreed rates fixed in the service agreements.
- (c) The insurer at its discretion may use services of IWA for selling products approved by the Authority.

CHAPTER - VIII

Conduct of business of IWAs

27. Duties and Functions of IWA – The duties and functions of IWAs shall be as specified in SCHEDULE - 10 of these Regulations.

28. Conduct of business of IWA:-

- (1) The IWA shall conduct the business in a fair manner and shall abide by the -
 - (a) Obligations of the IWA as outlined in SCHEDULE – 22 of these Regulations.
 - (b) Code of conduct of the IWA as outlined in SCHEDULE – 23 of these Regulations.
- (2) The IWA shall be responsible for all the acts and omissions of its principal officer and Authorized Verifier and other employees, including for the violation of code of conduct specified under these Regulations and shall be liable to a penalty under the provisions of Sec. 102 of the Insurance Act, 1938.

CHAPTER – IX

Miscellaneous

29. Action in case of Default –

If pursuant to an inspection or investigation or otherwise, the Authority is of the opinion that the operations of an IWA or Insurer are not being conducted in accordance with the provisions of the Act, rules or regulations or circulars and guidelines issued thereunder or its activities are not in the interests of the International Financial Services Centres, the Authority may take appropriate

disciplinary action against it including but not limited to suspension or cancellation of certificate after giving an opportunity to the IWA or Insurer, of making its submissions.

30. Powers to issue clarification:-

In order to remove any doubts or the difficulties that may arise in the application or interpretation of any of the provisions of these Regulations, the Chairperson of the Authority may issue appropriate clarifications as deemed necessary.

31. General: -

Any disputes arising between an IWA and an insurer may be referred to the Authority by the person so affected; and on receipt of the complaint or representation, the Authority may examine the complaint and if found necessary proceed to conduct an enquiry or an inspection or an investigation in terms of these Regulations.

SCHEDULE - 1

[Refer Regulation 5 (1)]

APPLICATION FOR GRANT OF CERTIFICATE OF REGISTRATON AS AN IWA

Instructions for filling up the form:

- 1) Applicants must submit a duly completed application form together with all appropriate, supporting documents to the Authority.
- 2) Application for certificate of registration will be considered only if the Application form is complete in all respects.
- 3) Applicants should sign the applications themselves.
- 4) Information which needs to be supplied in more details may be given on separate sheets which should be attached to the application form.

1. PARTICULARS OF THE APPLICANT

1.1 Name of the Applicant: _____

1.2 Address – Principal Place of business / Registered Office.

Pin/Zip Code	Email
Tel No	Fax No

1.3 Address for Correspondence:

Pin/Zip Code	Email
Tel No	Fax No

1.4 Name and Designation of the Principal Officer

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2. ORGANISATION – STRUCTURE

2.1 Status of the Applicant:

(e.g. Limited Company-Private/Public, LLP, others. If listed, names of Stock Exchanges and latest share price to be given)

Name of the company	Status	Date of Incorporation DD-MM-YYYY	Place of Incorporation	Name of stock exchanges where listed

2.1 Scope of business as described in the Memorandum of Association or equivalent

(To be given along with copy of Memorandum and Articles of Association).

2.2 List of major shareholders (holding 5% and above of Applicant directly or along with associates) Share holding as on: _____

Name of shareholder	No of Shares held	% of total paid up capital of the company

2.3 Particulars of all Directors / Designated Partners (in case of LLP) –

Name	Designation/ Position	Qualification	% of Share in Applicant company	Directorship in other Companies	DIN No.	PAN/ Aadhaar No.

2.4 Name and activities of associate companies/concerns

Name of Company/ Firm	Address	Type of activity handled	Nature of Interest of Promoter / Director	Nature and Interest of Applicant company

Whether any one or more persons of the associate companies/ concern are

interested in the Applicant's business?

2.5 Name and Address of the Principal bankers of the Applicant:

2.6 Name and address of the statutory auditors:

3. BUSINESS INFORMATION

3.1 Three years business plan document with projected volume of activities and income (including anticipated) for which Certificate of registration sought is to be specifically mentioned and attached to this application.

3.2 Organization Chart separately showing functional responsibilities to be enclosed

3.3 Particulars of KMP

Name	Designation/ Position	Qualification	Insurance related experience	Date of Appointment	Functional Areas	PAN/ Aadhaar No or other equivalent documents.

3.4 Particulars of Websites proposed / used for the IWA business: (Proof of Registration of Domain Name to be attached)

S No.	Website (Domain name) Address	Primary /Secondary / Category Specific	Place of Hosting of Web server	Name & address of the vendor hosting the website

Any other information considered relevant to the nature of services rendered by the Applicant.

4. FINANCIAL INFORMATION

Capital Structure

S No.	Capital	Current Year	Previous Year	Preceding Year to Previous year
		Mention Year	Mention Year	Mention Year
1	Authorized Capital (A)			
2	Issued Capital (B)			
3	Paid Up Capital (C)			
4	Free Reserves (Excluding Revaluation Reserves) (D)			

5	Total (C+D)			
6	Net-worth			

S No.	Particulars	Current Year	Previous Year	Preceding Year to Previous year
		Mention Year	Mention Year	Mention Year
		Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
1	Fixed Assets			
2	Plant & Machinery			
3	Office Equipment			
4	Quoted Investments			
5	Unquoted Investments			
6	Details of Liquid Assets			
7	Others			

Note: Please enclose three years audited annual accounts. If minimum capital requirement has been met after last audited annual accounts, audited statement of accounts for the period ending on a later date should also be submitted.

5. OTHER INFORMATION, IF ANY

5.1 Details of all settled and pending disputes: (Attach separate sheet and give full information in the format shown below)

Nature of Dispute	Name of party	Pending/ settled

** Attach sheet if required

5.2 Details, if any of any economic offences by the Applicant or any of the Directors, Chief Executive or Managing Director or Principal Officer or key managerial Personnel in the last three years.

For and on behalf of

For and on behalf of

(Signature and Name of Applicant)

(Signature &
Name of Applicant)

Designation

Designation

Place:

Date:

Application for Permission for Telemarketing/Outsourcing work

- 1.1 Name of the Applicant: _____
- 1.2 Certificate of Registration No.: _____
- 1.3 Validity Period: From _____ To ___
- 1.4 TRAI Registration No.: _____
- 1.5 Validity Period: From _____ To ___
- 1.6 List of Authorised Verifiers:

Name	Qualification	Sponsoring Entity	Certificate No.	Valid Till	PAN/ Aadhaar No.

Attach additional chart if required.

- 1.7 Any other information which the Applicant feel necessary for processing of application.

DECLARATION

THIS DECLARATION IS TO BE SIGNED BY TWO OF THE DIRECTORS / DESIGNATED PARTNERS

I/We hereby apply for certificate of registration to undertake Tele-Marketing / Outsourcing work relating to insurance.

I/We state that I/We have truthfully and fully answered the questions above and provided all the information which might reasonably be considered relevant for the purposes of my/our Certificate of registration.

I/We declare that the information supplied in the application form is complete and correct.

I/We undertake that I/We shall not allow or offer to allow, either directly or indirectly, as an inducement to any person, any rebate of the whole or part of the remuneration earned by me/us during the Certificate of registration period.

For and on behalf of

For and on behalf of

 (Signature and Name of Applicant)
 Designation

 (Signature & Name of Applicant)
 Designation

Place:

Date:

SCHEDULE - 2

[Refer Regulation 5 (2)]

Documents to be attached with the Application Form

1. Copy of the Certificate of Registration issued by the Registrar of Companies.
2. Copies of Memorandum of Association and Articles of Association or LLP Agreement duly certified by Chartered Accountant.
3. Copy of PAN Card of the Company.
4. C.V.s of Directors / Designated Partners of LLP with copies of Qualification Certificates.
5. C.V. of Principal Officer with copies of Qualification Certificates.
6. Self-Certification executed by two directors or designated partners of LLP duly notarized certifying that:
 - (a) The directors of the company and the Principal Officer are major and not found to be of unsound mind by a court of competent jurisdiction and not found guilty of criminal misappropriation or criminal breach of trust or cheating or forgery or an abetment of attempt to commit any such offence by a court of competent jurisdiction in the past five years. The Applicant/directors are not involved in any economic offences in the last three years.
 - (b) None of the directors/employees of the company are holding directorships/employment in or represent any other insurance related entity.
7. Snap shots of contents of proposed website along with the proof of domain name registration.
8. Confirmation of place of hosting website such as registered office, operations office.
9. List of persons who have control over or responsibility for the website contents in relation to insurance web aggregation.
10. Certificate of Chartered Accountant for the Net Worth and Shareholding Pattern of the Company as on the date of submission of Application.
11. Copies of the Annual Report and Audited Accounts for the previous three financial years;
12. Business Plan for next three years;
13. Details of infrastructure including IT infrastructure available;
14. Organization Chart showing functional responsibilities;
15. Training and Examination Certificates of Principal Officer and Authorised Verifiers;
16. Details and declarations of Principal Officer/ Promoters/ Directors/ Partners/ Key Management Personnel, relating to Fit and Proper criteria as specified by the Authority.

17. A user I.D. and temporary password in a closed cover (with only view permission), to verify the Aggregation Website(s) / Portal / LMS by IFSCA or its representative.

Note: All the copies of the documents to be attested by the Principal Officer.

SCHEDULE - 3
[Refer Regulation 7 (2)]

CERTIFICATE OF REGISTRATION

INTERNATIONAL FINANCIAL SERVICE CENTRES AUTHORITY
CERTIFICATE OF REGISTRATION

Registration number:

In exercise of the powers conferred by section 12 and 13 of IFSCA Act, 2019 read with sub-section (1) of section 42D of the Insurance Act, 1938 (4 of 1938), the Authority hereby grants a certificate of registration to (entity name) to act as Insurance Web Aggregator.

- (1) This certificate of registration shall be valid from (dd/mm/yyyy) to (dd/mm/yyyy).
- (2) This certificate of registration is subject to the provisions of The International Financial Service Centres Authority Act, 2019, The Insurance Act, 1938, and IFSCA (Insurance Web Aggregators) Regulations, 2021.

Place: _____

Date: _____

By Order

For and on behalf of International Financial Service Centres Authority

INTERNATIONAL FINANCIAL SERVICE CENTRES AUTHORITY
CERTIFICATE OF REGISTRATION

Registration number:

Approval to functioning as Telemarketer and for undertaking Outsourcing work

In exercise of the powers conferred by section 12 and 13 of IFSCA Act, 2019 read with sub-section (1) of section 42D of the Insurance Act, 1938 (4 of 1938), the Authority hereby grants a certificate of registration _____ to _____ M/s

to undertake Insurance Telemarketing and Insurance Outsourcing work under these Regulations.

- (1) This certificate of registration shall be valid from (dd/mm/yyyy) to (dd/mm/yyyy).

- (2) This certificate of registration is subject to the provisions of The International Financial Service Centres Authority Act, 2019, The Insurance Act, 1938, and IFSCA (Insurance Web Aggregator) Regulations, 2021.

Place: _____

Date: _____

By Order

For and on behalf of International Financial Service Centres Authority

SCHEDULE - 4
[Refer Regulation 9]

**APPLICATION FOR RENEWAL OF CERTIFICATE OF REGISTRATION
OF IWA**

Instructions for filling up the form:

- 1) It is important that before this RENEWAL application form is filled in, the IFSCA (IWAs) Regulations 2021 are studied carefully.
- 2) Applicants must submit a duly completed RENEWAL application form together with all appropriate, supporting documents to the Authority.
- 3) Application for renewal of certificate of registration will be considered only if the RENEWAL Application form is complete in all respects.
- 4) Applicants should sign the applications themselves.
- 5) Information which needs to be supplied in more details may be given on separate sheets which should be attached to the RENEWAL application form.

1. PARTICULARS OF THE APPLICANT

1.1 Name of the Applicant: _____

1.2 Address - Principal Place of business / Registered Office.

Pin Code	Email
Tel No	Fax No

1.3 Address for Correspondence:

Pin Code	Email
Tel No	Fax No

1.4 Name and Designation of the Principal Officer (To be submitted if any change)

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2. ORGANISATION – STRUCTURE (To be submitted if any change in any of the items under S. No. 2 of the application form, otherwise please mention “NO CHANGE”)

3. BUSINESS INFORMATION

3.1 Three years business plan document with projected volume of activities and income (including anticipated) for which certificate of registration sought is to be specifically mentioned and attached to this application.

3.2 Particulars of Key Management Personnel (To be submitted if any change)

Name	Designation/ Position	Qualification	Insurance related experience	Date of Appointment	Functional Areas

4. OTHER INFORMATION, IF ANY

4.1 Details of all settled and pending disputes: (Attach separate sheet and give full information in the format shown below)

Nature of Dispute	Name of party	Pending/ settled

** Attach sheet if required

4.2 Details, if any, of any economic offences by the Applicant or any of the Directors, or key managerial Personnel in the last three years.

5. RENEWAL OF PERMISSION FOR TELEMARKETING/ OUTSOURCING WORK

5.1 Do you want to continue tele-marketing/ outsourcing work: Yes/ No

5.2 Is the TRAI Registration valid: Yes/ No

5.3 Updated List of Authorised Verifiers:

Name	Qualification	Sponsoring Entity	Certificate No.	Valid Till	PAN/ Aadhaar No.

Attach additional chart if required

5.4 Any other information

For and on behalf of

For and on behalf of

(Signature and Name of Applicant)
Designation

(Signature & Name of Applicant)
Designation

Place:

Date:

SCHEDULE - 5
[Refer Regulation 9]

Documents to be attached with the Renewal Application:

1. Self-Certified undertaking in the format given in Annexure “1”
2. Confirmation of place of hosting website such as registered office, operations office, only if there is a change;
3. List of persons who have control over or responsibility for the website contents in relation to insurance web aggregation, only if there is a change;
4. Business Plan for next three years;
5. Renewal Training Certificates of Principal Officer and Authorised Verifiers.

Note: All the copies of the documents to be attested by the Principal Officer.

Annexure “1”

Undertaking Format

Ref. No.

Date

**The Executive Director,
Department of Insurance,
International Financial Services Centres Authority
Gandhinagar, Gujarat.**

Sir,

We hereby submit the following undertaking and confirm as under that:

1. There is no intervention by any other Regulatory Authority on the promoters/ Management/ Applicant Company as on the date (If there is any intervention, details of the intervention to be furnished).
2. The Principal Officer has not violated the code of conduct as specified in IFSCA (IWAs) Regulations, 2021;
3. The Applicant Company will comply with Regulation confining to Main Objects of the Memorandum of Association filed with the Authority;
4. The Principal Officer is appointed exclusively to carry out the functions of the IWA under the Regulations and is neither holding any Directorship/Employment/Assignment in nor represents, either on full time or on part time basis, any other Insurance related or any other entity. If so, it is with the previous approval of the Authority. (Strike out which is not applicable);
5. We have not given any rebates of the whole or part of the commission payable or premium shown either directly or indirectly in compliance with sec. 41 of Insurance Act, 1938;
6. We confirm that the minimum capital requirement is not diluted by its use in buying shares and securities as also keeping Inter Corporate Deposits and giving loans etc.;
7. We confirm that the duties and functions as specified in Regulation 29 of IFSCA (IWAs) Regulations, 2021, have been complied with during the previous registration period.
8. We confirm that the above statements are true to the best of our knowledge and belief.
9. We further undertake to comply with all the applicable Regulations/Rules/Notices/circulars as prescribed by the Authority from time to time.

Principal Officer	(Director, other than the PO)
Signature	Signature
Name	Name
Date	Date

Note: Strike out the declaration not applicable and attach relevant information separately.

SCHEDULE - 6
[Refer Regulation 9 (5)]

RENEWAL CERTIFICATE OF REGISTRATION

Registration number:

The certificate of registration of (name of entity) to act as Insurance Web Aggregator is hereby renewed under Regulation 9 of the IFSCA (Insurance Web Aggregators) Regulations, 2021 and the Insurance Act, 1938 (4 of 1938).

- (2) Issued on ____ day of ____ of Two thousand_____.
- (3) This certificate of renewal of registration shall be valid from (dd/mm/yyyy) to (dd/mm/yyyy).
- (3) This certificate of renewal of registration is subject to the provisions of The International Financial Service Centres Authority Act, 2019, The Insurance Act, 1938, and IFSCA (Insurance Web Aggregators) Regulations, 2021.

Place:_____

Date: _____

By Order

For and on behalf of International Financial Service Centres Authority

Renewal of Approval to functioning as Telemarketer and for Outsourcing work

Registration number:

The certificate of registration of (name of entity) to act as Insurance Web Aggregator is hereby renewed under Regulation 9 of the IFSCA (Insurance Web Aggregators) Regulations, 2021 and the Insurance Act, 1938 (4 of 1938). the Authority hereby grants approval to M/s _____ to continue to undertake Insurance Telemarketing and Insurance Outsourcing work

- (2) Issued on ____ day of ____ of Two thousand_____.
- (3) This certificate of renewal of registration shall be valid from (dd/mm/yyyy) to (dd/mm/yyyy).
- (4) This certificate of renewal of registration is subject to the provisions of The International Financial Service Centres Authority Act, 2019, The Insurance Act, 1938, and IFSCA (Insurance Web Aggregators) Regulations, 2021.

Place:_____

Date: _____

By Order

SCHEDULE – 7

[Refer Regulation 16]

Maintenance of Professional Indemnity Insurance: -

1. The insurance cover must indemnify an IWA against:-
 - (a) any error or omission or negligence on their part or on the part of their employees and directors;
 - (b) any loss of money or other property for which the IWA is legally liable in consequence of any financial or fraudulent act or omission;
 - (c) any loss of documents and costs and expenses incurred in replacing or restoring such documents;
 - (d) dishonest or fraudulent acts or omissions by IWA employees or former employees.

2. The indemnity cover —
 - (a) shall be on a yearly basis for the entire period of certificate of registration;
 - (b) shall not contain any terms to the effect that payments of claims depend upon the IWA having first met the liability;
 - (c) shall indemnify in respect of all claims made during the period of the insurance regardless of the time at which the event giving rise to the claim may have occurred.

Provided that an indemnity insurance cover not fully conforming to the above requirements shall be permitted by the Authority in special cases for reasons to be recorded by it in writing.

3. Limit of indemnity for any one claim and in the aggregate for the year in the case of IWAs shall be two times remuneration received at the end of every financial year subject to a minimum limit of USD 30,000 and a maximum of USD 13.25 million.

4. The un-insured excess in respect of each claim shall not exceed five percent of the capital employed by the IWA in the business;

5. The insurance policy shall be obtained from any registered insurer in India who has agreed to provide the IWA with an annual certificate containing the name and address, including the certificate of registration number of the IWA, the policy number, the limit of indemnity, the excess and the name of the insurer as evidence that the cover meets the requirements of the Authority.

SCHEDULE - 8
[Refer Regulation 20]
Disclosures to the Authority

1. An IWA shall disclose to the Authority, as and when required by it, in any event not later than thirty days of a requisition, the following information, namely—
 - (a) any change in the information or particulars previously furnished, which have a bearing on the certificate of registration granted to it;
 - (b) the names of the clients whose insurance portfolio he manages or has managed;
 - (c) proceedings initiated against them by other regulatory or government bodies within a reasonable time but not later than 30 days from the initiation of such proceedings. Any action or direction issued by such other bodies shall also be disclosed to the Authority within the time limits prescribed above.
 - (d) Any other Information / requirement specified by the Authority from time to time.
2. An IWA shall disclose to the Authority on his own any material change in the composition of the IWA within 30 days of such change.
3. An IWA shall take the prior approval of the Authority for the following.
 - (a) Change of Principal Officer;
 - (b) Change in Director/s or Designated Partner/s as the case may be;
 - (c) Change in name of the company;
 - (d) Change of address of registered office / Corporate / Head Office;
 - (e) Engaging the services of service providers or third party vendors for the core activities of the IWA such as but not limited to:
 - (i) Lead Management System
 - (ii) Webhosting
 - (iii) Other core activities
 - (f) Change of location of the Servers hosting the comparison website(s);
4. An IWA shall furnish to the Authority the following information within three days of the action
 - (a) Updated list of Authorised Verifier to solicit insurance business through Telemarketing/ Distance marketing modes;
 - (b) In respect of a claim under the professional indemnity policy;
 - (c) Acquiring of any property in India;
 - (d) Any other information as called for by the Authority from time to time;
5. In case of any change in the information provided for consideration of their application, subsequent to filing of application or during the processing of application, such change shall be disclosed to the Authority, voluntarily by the Applicant, for consideration of the

Authority.

6. The Authority may from time to time require the IWA to furnish information/ data/ documents in the manner as may be specified in the matter.

SCHEDULE - 9
[Refer Regulation 21]
Roles and Responsibilities of Authorized Verifier

1. The Authorized Verifier shall:
 - (a) be on the rolls of either the IWA or the Tele-marketer and resident in India;
 - (b) solicit insurance business only through tele-marketing mode.
 - (c) receive inbound telephone calls from prospects/ policyholders seeking assistance or clarifications on the insurance products they want to buy.
 - (d) sell an insurance product based on the need analysis of the prospect.
 - (e) explain the main features of the similar insurance product of other companies to help customer make a choice.
 - (f) not make any unsolicited outbound telephone calls for solicitation of insurance products
 - (g) not make false promise or lure the prospects by exaggerating the benefits under the insurance product;
2. An IWA shall tag every insurance policy sold by the Authorized Verifier to his identity for tracking sales and complaints if any which shall be given access to the Authority on remote basis;
3. An Authorized Verifier may shift from one IWA / Tele-marketer to another after obtaining a No Objection Certificate from his previous employer or 30 days of requesting for the same whichever is earlier.

SCHEDULE - 10
[Refer Regulation 27]
Duties and Functions of IWA

1. The IWA shall:-
 - (a) Display Information in their designated website pertaining to the products of Insurers who have signed agreement with the IWAs;
 - (b) Carryout the activities for the purpose of Lead Generation for insurers;

- (c) Ensure that the information systems, (both hardware and software) including the aggregation website(s) / portals, Lead Management System and the Data Centers hosting the website(s) / Portal(s) / Lead Management System are in compliance with the generally accepted information security standards and procedures in force in India from time to time;
- (d) Ensure that the leads and other data is transmitted to the insurers and others using secured layer data encryption technologies like 128 bit encryption;
- (e) Use only RBI registered payment gateways for collection and transfer of premium to insurers when the IWA is authorized by the insurer to collect the premium on behalf of the insurer;
- (f) Ensure to get the information systems (both hardware and software) including the aggregation website(s) / portals, Lead Management System and the Data Centers hosting the website(s) / Portal(s) / Lead Management System hosted in India and audited by CERT-In empaneled Information Security Auditing organizations once in a financial year and submit a copy of the Audit Certificate / Report to IFSCA and the insurers with whom the IWA has entered into an agreement, within 15 days from the date of receipt of the same;
- (g) Submit a certificate from the statutory auditor annually along-with the annual report that IWA is in compliance with all the provisions and the framework of the IFSCA (IWAs) Regulations, 2021 during the last financial year.
- (h) The Principal Officer of IWA, at the end of each financial year shall submit to the Authority, a certificate confirming that during the said financial year the IWA has complied with all the provisions of these Regulations.

2. The IWAs shall not:-

- (a) Display any information pertaining to products or services of financial institutions or FMCG based in India;
- (b) Operate multiple websites or tie up with other approved / unapproved / un-registered entities / websites for lead generation / comparison of product etc. subject to the following exceptions:

Using multiple Domain names or same domain names with suffixes such as .com, .in or .co.in for the primary website of the IWA used for comparison of insurance products is allowed *Provided-*

- (i) The domain names of primary or secondary or product category specific websites or mobile sites are owned and registered in the name of the IWA;
- (ii) The IWA shall inform the Authority in writing about the date of Registration

and also date of launching of domain names of such websites or mobile sites in the application for grant of registration and thereafter within 15 days from the date of Domain Name Registration and Date of launching respectively in case of any change in the name(s) of the existing websites or new websites.

3. Nomenclature of IWAs:-

- (a) All IWAs shall have the word 'IWA' in the name of the IWA Company to reflect its line of activity and to enable the public to differentiate registered IWA from other insurance related entities. The applications which seek the registration to act as IWA shall not be considered in the absence of the compliance of the nomenclature requirement;
- (b) Every registered IWA shall display in all its correspondences with all stakeholders its name registered with the Authority, address of the Registered and Corporate Office, IFSCA registration number and validity period of the registration;
- (c) IWAs are not permitted to use any other name in their correspondence/ literature/ letter heads without the prior approval of the Authority.

SCHEDULE - 11

[Refer Regulation 22]

Display of product comparisons on the Web Site

- 1. IWAs shall disclose prominently on the home page, a notice that:
 - (a) the Prospect's / visitor's particulars could be shared with insurers.
 - (b) "the information displayed on this website is of the insurers with whom our company has an agreement"
- 2. Product information displayed by IWAs shall be authentic and be based solely on information received from insurers;
- 3. IWAs shall not display ratings, rankings, endorsements or bestsellers of insurance products on their website. The content of the websites of the IWAs shall be unbiased and factual in nature; they shall desist from commenting on insurers or their products in their editorials or at any other location in their websites;
- 4. The comparison chart displayed on the IWA designated web-site shall take the customer through the web-pages which will be acknowledged by him in the following order:
 - (a) coverages,
 - (b) exclusions,
 - (c) benefits,
 - (d) terms,

- (e) conditions and
- (f) price

5. Templates may be mutually worked out between the IWAs and Insurers whose products are compared;
6. Product comparisons that are displayed shall be up to date and reflect a true picture of the products;
7. Product price comparisons shall be inclusive of all taxes and fees on gross basis to enable the prospect to make a like to like comparison;
8. IWAs shall display product information purely on the basis of the information furnished to them by insurers.

SCHEDULE - 12
[Refer Regulation 23]
Manner and sharing of leads

1. IWA shall use a Lead Management Systems (LMS) capable of recording the full details of the visitors to the designated website of the IWA and the Leads generated including the preference of the visitor.
2. LMS data shall be shared with the Insurance companies that have signed agreements with the IWAs.
3. LMS should ensure Transparency and Accountability.
4. IWAs shall disclose prominently on the home page that the Prospect's / visitor's particulars could be shared with insurers.
5. IWA shall provide an option to select up to three insurers by the visitor, to whom the lead shall be transmitted simultaneously.
6. IWA shall not transmit the lead containing data of a Prospect to Insurer(s) other than the one(s) preferred by the Prospect.
Provided that, if the Prospect evinces interest in buying insurance but does not prefer any Insurer, IWA shall not transmit the lead to more than three Insurers in the same class of insurance business based on the need analysis of the prospect.
7. IWA shall transmit the lead containing data of Prospects to Insurer
 - (a) As mutually agreed between parties..
 - (b) Reasonably securing the information of Prospects from unauthorized access and misuse;
 - (c) With a reasonable level of suitability, reliability and correctness, and;
 - (d) In compliance with generally accepted I.T. security procedures
8. IWAs shall deploy an Audit Firm to audit the process of LMS systems at least once in 12 months.
9. The Audit Report of the Audit Firm should be placed to the Audit committee of the Board who shall be responsible for taking cognizance of the same in carrying out corrective actions.
10. Insurers, on conversion of lead into a policy, must post back the policy details on the LMS of the IWA from whom the lead was received.

SCHEDULE - 13
[Refer Regulation 25]

Sale of Insurance products by tele-marketing mode and other distance marketing activities of IWA

1. **Scope and applicability** – This covers tele-marketing and distance marketing activities, except online sale, of IWA at the stages including offer and conclusion of sale.
 - (a) Tele-marketing and Distance marketing includes every activity of solicitation and

sale of insurance products through the following modes:

- (i) Voice mode, which includes telephone-calling;
 - (ii) Short Messaging service (SMS);
 - (iii) Electronic mode which includes e-mail and interactive television (DTH);
 - (iv) Solicitation through any means as approved by the Authority from time to time under Distance Marketing.
- (b) These instructions are specifically applicable in case of the following activities in addition to other similar activities:
- (i) Use of distance mode for ascertaining the Prospect's intent to purchase insurance.
 - (ii) Solicitation as well as sale over the distance mode; and
 - (iii) Requests by Prospects seeking information or sale of insurance products.

2. Telemarketing and Distance Marketing:- IWA desirous to carry on 'Telemarketing' and 'Distance Marketing', for the purpose of solicitation of insurance business shall:-

- (a) Register as a 'Telemarketer';
- (b) Engage 'Authorized Verifier' as defined in Regulation 2(c) of these Regulations for carrying out the Telemarketing and Distance Marketing related work;
- (c) While considering the application, the Authority may, if it so desires, verify the information furnished by the Applicant including the supporting documents and also inspect the Applicant's offices and infrastructure;
- (d) The Authority may, after considering the application with reference to the matters specified in these Regulations, grant Certificate of Registration to the IWA to function as Telemarketer, which shall be valid for a period of three years from the date of grant of such certificate of registration or the expiry of the registration whichever is earlier.

3. Compliance-

The IWA shall, in addition to these instructions, comply with all the applicable provisions of the Insurance Act, 1938, IT Act, 2000, TRAI Act, 1997, The Telecom Unsolicited Commercial Communications (Amendment) Regulations, 2008 and the rules, regulations, circulars or guidelines, as applicable, issued from time to time.

4. Persons engaged by IWA for telemarketing:-

- (a) For the purpose of solicitation of insurance business through 'Telemarketing' and 'Distance Marketing', IWAs shall engage only an Authorized Verifier as defined in Regulation 2(c) of these Regulations;
- (b) IWAs shall be responsible for all acts of commission and omission of the Authorized Verifier deployed on their behalf;
- (c) Authorized Verifiers shall be responsible for the sale of insurance products in distance mode.

5. Agreements between Insurer and IWA: The agreement between the Insurer and IWA, shall inter alia include the following clauses:-

- (a) The IWA shall maintain/preserve recordings of all the tele-calls for a period of 5 years;
- (b) The Telemarketer shall maintain records of all the Authorized Verifier employed by them along with their training and assessment particulars;
- (c) The tele-marketer shall keep a copy of the PAN/ Aadhaar card of the Authorized Verifier as his identity proof;
- (d) The records under (a) & (b) above shall be open to inspection by the Authority.

6. Distance Marketing by IWAs:-

- (a) IWAs shall not exclusively promote the products of any particular insurer, and shall suggest, using a standard pre solicitation script the best available product in the market that fits the needs of the Prospect;
- (b) The comparison charts that are displayed shall be up to date and reflect a true picture;

- (c) Insurers shall not pay the IWAs any remuneration other than the payments as specified in these Regulations. Insurers shall make no payments by any name to IWAs or their related parties towards infrastructure or any account other than payments (except for undertaking outsourcing activities under SCHEDULE - 14 on the policies solicited or procured over Web Aggregation and distance mode;
- (d) Insurers shall specifically identify the proposals procured by IWAs over distance mode and obtain all relevant records pertaining to such policies. Insurers shall produce such records before the Authority in case of dispute involving alleged violation of breach of conduct by the IWA.

7. Role of Authorized Verifier:-

- (a) Telemarketers shall employ Authorized Verifiers, who alone are permitted for soliciting and concluding the sale of insurance products;
- (b) The Authorized Verifiers shall be assigned to the IWA as per the certificate issued by the Authority for the purpose of sale of insurance products;
- (c) Any change in such assignment shall be disclosed to the Authority and a fresh certificate to that effect shall be obtained from the Authority without which the Authorized Verifier shall not be permitted for soliciting and concluding the sale of insurance products.

8. Training of Authorized Verifier:-

- (a) Every authorized Verifier shall be trained at an institute as specified by the Authority;
- (b) The training shall be as per syllabus specified by the IFSCA in matters related to regulations, disclosures, ethical conduct of business and specific instructions to be complied with while making the calls;
- (c) The Authorized Verifier shall clear the post-training test to be conducted by the institution authorized by the Authority;
- (d) IWAs shall maintain a register of all persons engaged by them for the purpose of solicitation of insurance business. The register shall, apart from the name and address of the Authorized Verifier, also contain valid copies of his proof of identification based on either PAN card or Aadhaar card and other relevant credentials. Insurers shall allot a distinctive code number to every Authorized Verifier and record the same in a register maintained for the purpose.

9. Process of Solicitation:-

- (a) Solicitation of insurance through tele-calling shall be based only on the leads generated through the website of the IWA;
- (b) The prospect on visiting the designated web-site of the IWA may:
 - (i) select the insurance product and the company that he wants to buy from and after making an express choice proceeds to make the payment for premium, in which case an insurance policy shall be issued by the insurance company subject to acceptance of the risk;
 - (ii) select the insurance product but does not give preference of the insurance company. In such a case the IWA may pass on the lead to a maximum of three insurers who may close the sale by either following up with the prospect directly or through the tele-marketer appointed by them; or
 - (iii) seek assistance from the Web Aggregator in making a choice of the product and the company, in which case the IWA may help/ advise the prospect based on the need analysis the insurance product and the insurance company.
- (c) The time taken from the generation of the lead to sale of the insurance product shall be completed in a reasonable period of time not exceeding three months beyond which the IWA shall not get credit for sale of the product and no remuneration shall be paid to the IWA;
- (d) An IWA shall not approach the prospect through outbound tele-calling without his express consent. However, if there are inbound tele-calls or tele-calls seeking assistance about the product by the prospect to the IWA, then the IWA shall offer all possible assistance to the prospect.

10. Standardized Script: The leads generated from the web-site shall be in specific compliance with the following norms:-

- (a) Insurers, in consultation with IWAs, shall prepare standardized scripts for presentation of benefits, features and disclosures under each of the products proposed to be sold over the distance modes. Solicitation under distance mode shall be in line with the standardized script;
- (b) The scripts shall be incorporating all the Key Features of the product and shall be approved by the compliance officers of the respective insurers. The scripts shall be filed with the Authority under Product Approval norms within 15 days by the insurer;
- (c) Every script shall mandatorily mention that the prospect is advised to refer to the

detailed prospectus available at the website of the insurer and that the prospectus shall be sent to his email id wherever available.

(d) **Introduction:-**

- (i) The communication shall clearly highlight the name of the insurer.
- (ii) The fact that the purpose of approach is lead generation/solicitation of insurance shall be clearly highlighted.

(e) **Consent of the Prospect:-**

- (i) The Authorized Verifier shall ascertain if the Prospect is interested in continuing with the subject, and the process of solicitation shall proceed further only on receiving the consent in explicit terms;
- (ii) The Prospect shall be given an option to continue with the subject or exit the page at every stage in case of electronic modes. The hours during which calls are made shall be in accordance with orders issued by TRAI/ DoT from time to time;
- (iii) In case of telephonic solicitation the name of the authorized Verifier shall be disclosed and the language options available must be indicated. The subsequent communication shall continue only in the language chosen by the Prospect;
- (iv) The Authorized Verifier shall inform Prospects that the call is being recorded and that the Prospect is entitled to a voice copy, if he so desires, at any time during the term of the policy or until a satisfactory settlement of claim, whichever is later;
- (v) While commencing the communication, the Authorized Verifier shall inform the prospect the following in the same order a) Name of the Insurance Web aggregator which is calling the prospect; b) Name of the Authorized Verifier; c) Name of the product being explained; d) Name of the insurer to which the product belongs.
- (vi) No inconvenience, nuisance or harm shall be caused to the Prospects in the course of solicitation or thereafter. Full disclosures shall be made to the Prospects under all modes of distance marketing and the requirements of confidentiality, privacy and non-disclosure shall be complied with.

(f) **Prospect's Information:**

- (i) All relevant information pertaining to the Prospect as well as the person/asset to be insured shall be obtained, and solicitation shall be strictly on the basis of analysis of the Prospect's needs;
- (ii) The insurance web aggregator shall send copy of the voice transcript to the prospect at his email id so declared by him.

- (g) **Product benefits & Features:** The standardized script shall cover the following items in the course of product presentation:
- (i) The specific responses of the Prospect in the form of agree/disagree, yes/no, accept/reject, understand / don't understand, as applicable, against each of the items below, under all modes of distance solicitation.
 - (ii) Name of the product suggested and its nature and parameters. Name of the Insurer to which the product belongs.
 - (iii) Insurance cover available under the product for a specified amount of annual premium, or, conversely, premium chargeable and applicable taxes towards a specified amount of insurance cover.
 - (iv) The scope of cover, perils covered and not covered, exclusions, deductibles or franchise, copayments, loading/discounts on premiums, add-on covers, conditions, other terms and benefits, mid-term inclusions, short period scales, basis of sum insured, warranties, clauses and endorsements, compliance with Section 64VB(1) of the Insurance Act, 1938 – payment of premium before commencement of risk, etc, as applicable.
 - (v) The contents of the “key features document” (KFD) as and when specified by the Authority.
 - (vi) The right to cancel the policy within 30 days of receipt of the policy in case of disagreement with the terms of the policy under all life insurance contracts and covers tied to credit/debit/other cards, and for all personal accident and health insurance policy contracts with a term of 3 years or more offered by insurers over distance mode, provided no claim has already been made on the policy.
 - (vii) Disclosure of rates of commission available on the product solicited upon the request of the Prospect.

(h) **Premium Ceilings in case of sale of Life Insurance:**

- (i) IWA shall not solicit non-single premium type policies for annualized premiums exceeding USD 2000 over telemarketing mode (voice as well as SMS);
- (ii) Single premium Policies shall not be solicited for a premium of more than USD 2000 over telemarketing mode.

11. Post-Solicitation Process: Once the Prospect agrees to purchase a policy, the proposal form and premium acceptance shall comply with the following requirements:-

- (a) The premium towards the policy may be debited online or interactive voice response medium or through a manual collection subject to compliance with the procedures and controls prescribed by the RBI;

- (b) The norms applicable to insurers as regards AML and PAN need to be complied with in the process of selling a policy over distance marketing mode;
- (c) In all instances where a policy is issued without obtaining a proposal in physical form, insurers shall forward a verbal transcript of the voice/electronic record of the queries raised and answers thereto on the basis of which the policy has been underwritten, along with the policy bond;
- (d) For policies solicited/sold over distance mode, insurers shall issue policies in exactly the same format and medium as in case of sale through physical interface;
- (e) The address and toll-free number of the office to be contacted by the policyholder in case of a servicing need or grievance shall be informed to the client;
- (f) Before conclusion of sale the authorized Verifier shall divulge his name and distinctive code number to the prospect and this shall form part of the recorded conversation for the sake of future verification;
- (g) The records pertaining to every call made and SMS sent by an IWA that materializes into a policy shall be transferred to the insurer's location within 30 days of conclusion of sale. In case of telephone calls the records transferred shall be the recordings of the entire conversation.

12. No Unfair Denial of Insurance Cover: When a Prospect approaches an IWA over distance mode proposing for insurance cover, the latter are duty-bound to consider the case on merits and in accordance with regulatory directions and their own norms. In no case shall they resort to an unfair denial of cover to a Prospect who seeks insurance.

13. Preservation of Records:-

The insurer and IWA shall preserve, in an unalterable and easily retrievable form, a voice/ electronic/ physical record, as applicable, of the entire process beginning with lead generation/ solicitation and concluding in sale of insurance, for a period of six months beyond the term of the policy or until satisfactory settlement of claim or for a period of ten (10) years, whichever is later. Voice and electronic records shall be digitized and encrypted for storage to ensure reliability and security of the data.

14. Verification Process:-

- (a) IWAs shall monitor the calls live by arranging for listening to at least 1% of the calls as they happen;

- (b) IWAs shall verify at least 3% of calls leading to sales for compliance, by engaging a team of dedicated employees to listen to the call recordings. The observations made in the course of verification shall be preserved in a retrievable form for a period of not less than three years;
- (c) Insurers shall make verification calls, to monitor the quality of sales, to a minimum of 3% of the policyholders who purchase insurance over distance marketing mode, every month. The purpose of verification calls is to ascertain whether the Prospect has understood the benefits, features and disclosures of the product purchased correctly;
- (d) Verification calls shall also bear a standardized script and the records of calls shall be preserved for a period (a) not less than 15 months from the date of policy or until satisfactory claim settlement, whichever is later, in case of general insurance and health insurance policies (b) not less than 3 years in case of life insurance policies;
- (e) The policies under (b) and (c) above shall be selected according to a random pattern, making sure to cover each product category and mode of sale.

15. Certification of Compliance:-

The Principal Officer of each IWA shall submit to the Authority, at the end of each financial year, a certificate confirming that the IWA has complied with all the provisions of all the above instructions during the financial year.

16. Disputes:-

For the purpose of these Regulations the contract of insurance shall be deemed to include the contents of “Key Feature Document” or “KFD” and the records of calls to the Prospect pertaining to the product. In case of disputes involving specific wordings of the policy, the client shall have the right to give primacy to the wordings of the KFD and the calls over the specific wordings of the policy.

SCHEDULE - 14

[Refer Regulations 2(n) and 26]

1. Insurance Outsourcing Services that can be undertaken by IWAs

- (a) Outsourcing of the activities mentioned herein below shall be at the discretion of the Insurers. However, it is reiterated that execution of services shall remain to be Core Activity to be carried out by the Insurers;

- (b) Outsourcing relationships between Insurers and IWAs shall be governed by written contracts between the Insurer and the IWA that clearly describe all material aspects of the outsourcing arrangement, including charges for services, the rights, responsibilities, and expectations of all parties.

2. Activities that can be Outsourced to the IWA by Insurer:

An IWA can undertake outsourcing activities on behalf of insurers through the tele-marketing and distance marketing modes.

SCHEDULE - 15
[Refer Regulation 4 (9)]
Obligations of IWA

IWA shall:-

- (1) display Certificate of registration obtained from the Authority and details of validity of certificate of registration on its web site;
- (2) prominently display the names of insurers with whom it has an agreement to refer leads in the Home page of the website;
- (3) display the list of products that are available for information on its designated website;
- (4) display specific information that the details of the prospects who visit their website shall be shared with the insurers for the purposes of soliciting insurance policies;
- (5) not promote the services or the products of any third parties on their designated website, unless permitted by the Authority;
- (6) not allow any third party to divert their clientele to the website of the IWA, unless permitted by the Authority;
- (7) register as a Telemarketer, if desirous of carrying out Telemarketing;
- (8) maintain an effective lead management system and ensure that leads are recorded and monitored through the LMS System;
- (9) maintain the records and the reports of its activities under the agreement with Insurer, in the manner specified in the agreement entered into between the Insurer and the IWA;

- (10) along with its employees (whatever their designation may be) comply with all the provisions of the Insurance Act, 1938 the IFSCA Act, 2019, the rules and regulations framed thereunder and other directions issued by the Authority from time to time;
- (11) not accept any payment from Insurer to itself or through its employees or promoters other than the remuneration specified in Regulation 26 of these Regulations.

SCHEDULE - 16
[Refer Regulation 4 (9)]

Code of Conduct for IWA:-

1. **Conduct in matters relating to clients relationship:** Every IWA shall:-
 - (a) conduct its dealings with Prospects / Policyholders with utmost good faith and integrity at all times;
 - (b) act with care and diligence;
 - (c) treat all information supplied by the prospects as completely confidential to themselves and to the insurer(s) to whom the business is being offered;
 - (d) take appropriate steps to maintain the security of confidential documents in their possession;
 - (e) understand the type of Prospect it is dealing with and the extent of the Prospect's awareness of risk and insurance;
2. **Conduct in relation to complaints handling:** Every IWA shall: —
 - (a) have in place a system for recording and monitoring complaints.
 - (b) ensure that the websites contain details of complaints handling procedures and provides a facility to the complainant to log complaints online;
 - (c) ensure that communication of clients in any form, written / phone / fax / email / Messaging etc are acknowledged promptly and in no case beyond five working days from the date of receipt of such complaint
 - (d) ensure that the grievance is resolved to the fullest satisfaction of the client;
 - (e) ensure that response letters are sent to the complainant on the resolution of the grievance, and the complainant is informed of the further redressal procedure available to him;
 - (f) ensure that complaints are attended to at Key Management Person level.
3. **Conduct in matters relating to advertising:** Every IWA shall ensure that the designated website contains no advertisements or any information that is prohibited under Regulation 27 of these Regulations;
4. **Conduct in matters relating receipt of remuneration:** Every IWA shall, if requested by a prospect, disclose the amount of remuneration or other remuneration it receives as a result of effecting insurance for that client.

5. **Conduct in relation to matters relating to training:** Every IWA shall:-
- (a) Ensure that its staff are aware of and adhere to the standards expected of them by this code;
 - (b) ensure that staff is competent, suitable and have been given adequate training;
 - (c) ensure that there is a system in place to monitor the quality of advice given by its staff;
 - (d) ensure that members of staff are aware of legal requirements including the law of agency affecting their activities; and only handle classes of business in which they are competent;
 - (e) draw the attention of the client to Section 41 of the Insurance Act, 1938, which prohibits rebating and sharing of commission / remuneration.
6. Every IWA shall display in every office where it is carrying on business and to which the public have access a notice to the effect that a copy of the code of conduct is available upon request and that if a member of the public wishes to make a complaint or requires the assistance of the Authority in resolving a dispute, he may write to the Authority.
7. Every IWA shall furnish the returns in such format to the Authority within 15 days from the end of such period or within such time as allowed and specified by the Authority.

Chairperson, IFSCA

[ADVT. xxx/x/Exty./xxx/2021]

Format for providing comments / suggestions

Proposed IFSCA (Insurance Web Aggregator) Regulations, 2021

Inputs / Comments suggested by:

Page No. of Draft Regu.	Reg. No.	Sub-Regu No. /Para No.	Comments / Suggestions	Rationale