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## POLICY ON PROCUREMENT OF INSURANCE BUSINESS

### **1. INTRODUCTION:**

Section 6 (1) of Banking Regulation Act 1949 permits Banks to undertake insurance business and IRDAI in its guidelines - IRDAI (Licensing of Corporate Agents) Regulation 2002 permitted Banks to obtain license to solicit Insurance business as "Corporate Agents". Accordingly, Bank commenced soliciting insurance business in the year 2002.

#### **1.1) Insurance Business**

The Reserve Bank of India on reviewing the extant instructions on conduct of insurance business by banks advised vide circular DBR. No. FSD. BC. 19/24.01.001/2015-16 dated July 1, 2015 that banks may undertake insurance business as per the Board Approved Policy and such policy should be in line with the guidelines as stated in the said Circular.

#### **1.2) Compliance with IRDAI guidelines**

The IRDAI guidelines (Licensing of Corporate Agents) Regulation 2002 and the Code of Conduct prescribed by IRDAI, as amended from time to time, as applicable, will be complied at all the times by the Bank.

#### **1.3) Ensuring Customer Appropriateness and Suitability**

a) All employees dealing with insurance business possess the requisite qualification prescribed by IRDAI.

b) All insurance products sold by the Bank as a Corporate Agent, are approved by the Bank. In case of complex products like market-linked plans, the Bank is having a standardized system of assessing the understanding of the risks related

to such products by the Proposed Insured and that initiation/transactional and approval process is clear and properly segregated.

c) Bank treats its customers fairly, honestly and transparently, with regard to suitability and appropriateness of the insurance product sold.

#### **1.4) Prohibition on Payment of Commission/Incentive directly to Bank Staff**

No incentive (cash or non-cash) is paid to/received by the staff engaged in insurance business by the insurance company.

#### **1.5) Adherence to KYC Guidelines**

The instructions or guidelines on KYC/AML/CFT as applicable to Banks, issued by RBI, from time to time, will be adhered to, in respect of customers (both existing and fresh) to whom the services of insurance services are being provided.

#### **1.6) Transparency and Disclosures**

a) Bank does not follow any restrictive practice of forcing a customer to either opt for products of specific insurance company or link sale of such products to any banking product. The purchase by a banks customer of any insurance products is purely voluntary and is not linked to availment of any other facility of the Bank.

b) The details of the fee received in respect of insurance agency business undertaken by the Bank is disclosed in the "Notes to Accounts" in the Balance Sheet.

#### **1.7) Customer Grievances Redressal Mechanism**

A robust internal grievance redressal mechanism is put in place along with a Board Approved Customer Compensation policy for resolving issues related to services offered. The Bank also ensures that the insurance companies whose

products are being sold by the Bank have robust customer grievances redressal arrangements in place. Further, the Bank will facilitate the redressal of grievances.

## 2. PRINCIPLE OF OPEN ARCHITECTURE

With an intention to cater the needs of the public with regard to Insurance and to provide wide choice of plans to the people of India, IRDAI in its Regulation under “Open Architecture” set up - IRDAI [Registration of Corporate Agents] Regulations, 2015, permitted Corporate Agents to tie up with:

- a. Maximum THREE Life Insurance Companies
- b. Maximum THREE Non-Life Insurance Companies and
- c. Maximum THREE Stand Alone Health Insurance Companies.

IRDAI has issued Gazette notification on August 20, 2015 wherein Banks as Corporate Agents are allowed to provide insurance options to the general public through IRDAI [Registration of Corporate Agents] Regulations, 2015 [Reference No. IRDAI/Reg/12/102/2015 dated August 20, 2015]. The Insurance Regulator expects that every Corporate Agent shall conduct business under Life Insurance, General Insurance and Health Insurance in a transparent, customer centric, need based ethical solutions. The objective of the open architecture is to ensure that all Corporate Agents should solicit, procure and service insurance business to the general public in a timely and effective manner.

Accordingly, by duly recognizing the twin factors influencing the Bancassurance business model, viz.,

- 1] Good scope for insurance penetration through banking channel and
- 2] An emerging alternate source to augment the bottom line, the bank shall focus on need based selling of insurance products in a transparent manner by adhering to all the applicable regulatory guidelines and also by proactively adopting best industry

practices.

2.1. Considering the scope of business and the opportunities available in the market, the Bank will have the tie up with:

1. Maximum of **three Life Insurers**
2. Maximum of **three Non Life Insurers**
3. Maximum of **three stand alone Health Insurers**

However, Corporate Agent shall solicit, procure and service retail lines of General Insurance products and commercial lines of such insurers having a total sum insured not exceeding ₹ 5.00 Crore per risk for all insurances combined.

**2.2. Following aspects will be taken into consideration before finalizing the distribution arrangements:**

1. Assets under Management of the Insurance Company.
2. Its reach to common man – Branch Network, Manpower support to Branches of the Bank
3. Product suitability to the customers of the Bank
4. Strategy adopted by the Insurance Company in marketing of the products
5. Vision of the Company for the next 3 years.
6. Business volume projected by the Bank and the need for multiple channel partners.
7. Product awareness and Product related training provided by the Insurance Company to the Bank staff.

### **3. ARRANGEMENT WITH INSURANCE COMPANIES**

- The Bank shall undertake appropriate due diligence prior to executing any agreement with Insurance Companies.

- The agreements of the Bank with the Insurance Companies shall *inter alia* include the duties and responsibilities of the Bank towards policyholders, the duties and responsibilities of Insurance Companies and the Bank, and the terms and conditions for termination of the respective contractual arrangements.
- While entering into agreements with Insurance Companies the Bank shall ensure that all such arrangements are on an arm's length basis and are complied with the provisions of applicable law.
- The Bank shall ensure that no agreements to which the Bank is a party contain terms which are against the interest of policyholders.
- At the time of entering into agreements with the Insurance Companies the Bank shall not receive any signing fee or any other charges by whatever name called, except those permitted by the Authority.
- The Bank strictly prohibits its Principal Officer, Specified Persons and all employees from receiving any incentives (cash or non-cash) from any of the Insurance Companies with whom the Bank has entered into Corporate Agency arrangements.

#### **4. NATURE OF BUSINESS**

- A) The Bank is hereby authorized to sell all the insurance products offered by the Insurance Companies with whom the Bank has entered into contractual arrangements.
- B) The Bank shall not offer any information relating to any insurance products which the Bank is not authorized to solicit and procure.

- C) Product suitability, premium paying capacity and the financial needs of the proposed insured shall be taken into consideration while soliciting the insurance business by the Specified Persons.
- D) The Bank will continue to provide suitable and customer friendly Health Insurance policies for the benefit of the customers and strive to find better and cheaper insurance propositions in future. Bank will also market Insurance products under Group Insurance and Micro Insurance categories for the benefit of the customers wherever found necessary to cover maximum lives under insurance.
- E) In cases where the insurance product is sold as an ancillary product along with a principal business product, the Bank shall not in any manner compel the prospective customer of the principal business product to necessarily buy the insurance product through the Bank or provide any advantages/benefits to the customer which are contingent on purchase of the insurance product/principal business product.
- F) The Bank shall undertake all measures to ensure that there is no forced selling of any insurance product to any prospective customer and that an insurance product is recommended after taking into account the needs of the prospective customer.
- G) The Bank in coordination with tie up partners shall formulate value added customized products or bundled product suitable for diverse customer profile of the bank. Endeavour will be to have life insurance products based on the life cycle need such as Family Protection, Child Education, Wealth Creation and Retirement Solutions.

- **H) The Bank can also explore tie ups for suitable and customer centric Group Insurance Products from our channel partners or other Insurers as per existing IRDAI guidelines.**

## **5. NEED BASED SELLING THROUGH SPECIFIED PERSONS (SPs)**

- It will be the endeavor of Bank to conduct the business in a transparent manner through informed selling where the customers are aware of the product specifications before choosing the said product.. The insurance products are to be solicited after complying with the KYC/AML/CFT norms. The Insurance business is solicited only through Specified Persons (IRDAI qualified persons). The overall supervision of insurance business of the bank will be vested with Principal Officer and the General Manager of the concerned department. No coercion, undue influence or moral suasion would be applied to purchase the insurance policy on any category of customers [Liability/Asset] in lieu of performance or deliverance of any/all banking service/s.
- **Bank follows the policy on Product Suitability to encourage customer appropriate and suitable product and further also to discourage forced and mis selling of third party products.**
- The workforce in any organization plays an important role in achieving its goals. In insurance business, the role of an SP is of paramount importance. Hence, it will be the endeavor of the Bank to provide necessary training to employees/officials of the Bank as per IRDAI guidelines and set up a strong workforce of SPs with a view to tapping full potential of the insurance business.

- Bank is having adequate number of SPs to ensure smooth business run at branches and as such at least one SP per branch requirement ratio shall be tried to be maintained. Bank shall keep their knowledge updated from time to time by organizing seminars/training programme/refresher programme, in close co-ordination with the tie-up partners.
- The Bank will organize policy-holder awareness programme on Insurance from time to time at regional level in co-ordination with its partner Insurance Companies.

#### **6. Sale Of Insurance By Tele-Marketing, Distance Marketing Activities & Digital / Online products and Partner IT Integration Modules**

- Bank shall take prior approval ,licencing etc of the Authority [IRDAI], for telemarketing(with or without contact centre), Digital/ Online and Partner IT Integration for sale of insurance products and comply with the other requisite and applicable guidelines of IRDAI, IT, DM etc.

#### **7. SERVICING OF POLICIES**

- Bank is supporting the policy holders in providing the service against the policies issued, by way of assisting for premium payment, providing assistance with regard to submitting claim papers and guidance thereof through Specified Persons.
- Bank to continue the service to the customers for the next 6 months in case of termination of arrangement by its insurance partners and within this period Insurers shall make alternative arrangements to serve the customers.

**8. REMUNERATION:** Bank shall receive remuneration from Insurance Companies in accordance with the Regulations and guidelines prescribed by the Authority from time to time.

## **9. TRAINING & PROMOTIONAL ACTIVITIES**

- As motivation plays an important role in driving a business, the Bank shall actively participate in schemes and motivational programme/training and recognition programme etc in accordance with the guidelines of the IRDAI/RBI.
- Bank will organize training programme for imparting knowledge and skill to the employees / Specified Persons engaged in insurance business from time to time. Modules on insurance will be made a regular part in relevant training programmes of the Bank.
- Regional Offices of the Bank will update on insurance business to all the Branch Managers during the periodic Branch Manger's meetings. They will percolate knowledge on insurance business/ products to the field staff.
- Insurance market development, co-branding of the products and services, business promotion/product training and/or awareness activities etc as and when undertaken in association with the concerned Insurance Companies, all the extant guidelines of the Authority shall be followed by adhering to the best industry practices as being done at present.

## **10.INFRASTRUCTURE**

- Parabanking Cell, Branch Banking & Digital Channels Department at the Corporate Office shall be responsible for planning & strategizing the Insurance business. At Branch level, Specified Persons shall be responsible to

implement these plans to ensure need based selling of Insurance plans to the customers of the Bank Branches. These Specified Persons will be suitably guided by the Regional Offices located at various locations of the country. Bank has Specified Persons who are positioned in branches/ROs covering all the branches based on cluster branch approach depending on the business potential. Hence, all the branches of the Bank have the services of the Specified Persons. The business canvassed and the concerned branches are mapped to the respective Specified Persons. There will be Insurance Officers located at all the Regional Offices who will help these SPs to implement the strategies of the Corporate Office effectively and meaning fully.

#### **11. MANAGEMENT INFORMATION SYSTEM (MIS)**

- To evolve/develop an MIS system in consultation with the tie-up partners so as to have a close watch over various processes/parameters of business development which would help the bank towards systematic growth of insurance business.
- On daily/weekly basis the MIS is obtained from the Insurance Companies and the same is shared with the branches in a consolidated monthly basis.

#### **12. REGULATORY COMPLIANCE**

- Insurance business will be carried out in compliance with all regulatory guidelines including capital requirement, adherence to Code of Conduct etc issued by the Regulators namely IRDAI and RBI.
- In the event of any on-site inspection of the Bank's insurance business by the Authority, such reports on inspection along with compliance, if any, shall be placed before the Board of the Bank.

- Independent Audits of Bank's group insurance business as mandated by Regulator(s) shall be done and report of the same shall be submitted to the Regulator(s) / Insurer(s).

**13. KYC/AML/CFT GUIDELINES:** It shall be ensured that Insurance business is solicited only after complying with all the guidelines related with KYC/AML/CFT. The related guidelines issued by concerned authorities shall be circulated among the field functionaries for strict compliance.

#### **14. GRIEVANCE REDRESSAL MECHANISM**

A robust internal grievance redressal mechanism is put in place with online grievance redressal system and the compensation if any will be in accordance with general compensation policy of the Bank. Further it is also ensured that the insurance companies whose products are being canvassed should have a robust in-house policy holder grievance redressal mechanism for its policy-holders also there shall be a turnaround time lines for redressal. The bank will also facilitate the redressal of grievances.

- The Specified Persons shall be responsible for undertaking all appropriate measures, including, holding discussions with the concerned policyholders/the prospective policyholders or the erstwhile policyholders in connection to the grievance raised by them with a view of redressal of such grievance.
- In the event that SPs are not able to redress the grievance raised by the policyholders/the prospective policyholders or the erstwhile policyholders, the matter shall be referred to the concerned Regional Office of the Bank who shall undertake all appropriate actions to resolve the issue.

- The Bank will seek to redress all grievances in relation to inter alia, sales, mis-selling, and fraud at the stage of solicitation. In addition, any complaints/grievances relating to servicing requests made to the Bank shall also be handled under the grievance redressal procedure prescribed by the Bank.
- Without prejudice to any other measures that may be available under applicable law the Bank shall be entitled to take all the appropriate actions, including, initiating inquiry/disciplinary proceedings against any of its employees, officials or specified persons in order to effectively resolve any grievance raised by any policyholders/the prospective policyholders or the erstwhile policyholders.
- **The customer can lodge his grievances directly to the branch/concerned Regional Office/Head Office, in addition to the Channel offices [via personal visit, toll free numbers or email] and web-site. As an additional facility to lodge his grievances he can also use the Grievances Redressal portal on the Bank's web-site and the same to be attended by a Senior Official from the Parabanking Cell.**

## **15. REPORTING REQUIREMENTS**

- The Bank shall undertake all necessary measures to comply with the reporting requirements applicable to a licensed corporate agent including the requirements specified in the Regulations.
- The Principal Officer shall be responsible for ensuring that the Bank complies with all the reporting and disclosure requirements specified in the Regulations and the guidelines prescribed by the Authority from time to time.

## **16.MAINTENANCE OF RECORDS**

- The Bank shall maintain records of the matters concerning this Policy in accordance with the Regulations and guidelines issued by the Authority from time to time.
- As per IRDAI regulations vide Ref. IRDAI/INSP/CIR/293/12/2020 dated December 08, 2020 regarding the Maintenance of records under IRDAI (Minimum Information Required for Investigation and Inspection) Regulations 2020 (Part-II), Bank shall maintain required records either in physical form or electronic form.

Further, the records shall be maintained either for a minimum period of 10 years or as per the extant legal requirements and IRDAI guidelines.

Prior permission from Treasury & Accounts Department has to be obtained for disposal of any old records.

- The Principal Officer shall be responsible for ensuring that the Bank maintains all records and books of accounts in accordance with the Regulations and guidelines issued by the Authority from time to time.

## **17.DISCLOSURE POLICY**

- Bank shall disclose in the 'Notes to Accounts' of its Annual Report the details of fees/remuneration received in respect of the bancassurance business.

## **18.PROFESSIONAL INDEMNITY BOND**

- As per the Regulations, every corporate agent, where the revenues from their insurance intermediation activities is more than 50 % of their total revenue from all the activities, shall take out and maintain at all times a professional indemnity insurance cover throughout the validity of the period of the

registration granted to it by the Authority. Bank shall adhere to the same as and when the need arises.

## **19.INTERNAL CONTROLS**

- The Bank's Inspection & Audit department shall review the overall adherence to this Policy.
- This Policy is owned by Branch Banking & Digital Channels department and is responsible to implement and ensure compliance of the Policy.
- All the Regulations and guidelines issued by the concerned Authority from time to time are adhered to.

## **20.PROVISION TO APPEAL AGAINST IRDAI AND INSURERS**

- Bank may make use of the “Open Architecture” guidelines of IRDAI which has a provision, enabling the Corporate Agents to appeal against the decisions of IRDAI/Insurers with regard to registration cancellation or suspension of its license.

## **21.CODE OF CONDUCT OF SPECIFIED PERSONS OF THE BANK**

**Code of Conduct of the Specified Persons of the Bank as per Annexure I.**

## **22.DO'S AND DON'T'S OF SPECIFIED PERSONS OF THE BANK**

**Do's and Don't's for the Specified Persons of the Bank as per Annexure II**

## **23.CONCLUSION**

This Policy shall be reviewed every year and revised incorporating any changes in regulations and guidelines issued by the Regulators from time to time. It would be regularly reviewed with the changing demographics of banking industry or changes in strategic options of the Bank in this line of business.

## Annexure I

### Role of Specified Person (SP) & Branch Head in Mobilizing Insurance Business

Attention of Branch Heads and Specified Persons is invited to BBDC Department, Parabanking Cell Circular Letter No. HO:DEV:INSU: CIRCULAR LETTER :GF 100/41/2017-18 dated 23-02-2018 which operational guidelines including the Code of Conduct of Specified Persons were circulated.

SPs / Branch Heads are required to display a greater sense of responsibility in sale of 'Insurance Products' and the sale should be purely on voluntary basis. Assessing need analysis, Explaining of product features to the prospective customer and Obtaining KYC documents & duly signed proposal form on completion of solicitation process from the customer are the key responsibility areas in mobilizing Insurance business.

Mis-selling or forced selling of Insurance business is an area of concern for the regulators especially in Life Insurance business. Based on the complaints regarding mis-sale / forced selling received from the field, RBI has in recent past conducted in-cognito visits in some Bank branches to ascertain the practices being followed for sale of Insurance Products. They have come across some instances wherein the prescribed guidelines have not been adhered to in spirit. Such incidents have been viewed very seriously by RBI.

Insurance Regulatory and Development Authority of India (IRDAI) has also observed that they have received complaints from policy holders on mis-selling of Insurance policies by Banks.

Instructions for right selling practices have been issued from time to time through various circulars/communications in the past. For easy understanding we reiterate herewith (Annexure-'A') the checklist for SPs,(Annexure-'B') is the Code of Conduct containing guidelines / precautions which the SPs shall ensure compliance while mobilizing Insurance business and (Annexure-'C') a certificate to be issued by every Branch Head before login of fresh Insurance Business.

The instructions issued vide BBDC Department, Parabanking Cell Circular Letter No. HO:DEV:INSU: CIRCULAR LETTER :GF 100/41/2017-18 dated 23-02-2018 should be strictly adhered to ensure that there is no mis-selling/ force selling of Insurance Business.

Branch Heads and SPs are advised to note the aforesaid instructions for meticulous compliance

## Annexure-'A'

### CHECK-LIST PERTAINING TO GUIDELINES / PRECAUTIONS FOR SPECIFIED PERSONS (SPs)

#### NEED BASED SELLING:

- Assess the needs of customers before suggesting or recommending any product, based on the following:
  - Customer's financial and health condition;
  - Customer's present insurance coverage;
  - Customer's future financial & personal goals;
  - In case of elderly customers, apart from regular need analysis, their retirement needs and life expectancy should be kept in view;
- Product features, benefits, exclusions, charges, associated risks & Terms & conditions of the suggested product should be explained in details;
- The product recommended should be keeping in view the age, needs, risk appetite, income, long term financial goals & long term premium payment capacity;
- Correct assessment will not only be in the interest of customer, but it will facilitate the bank to maintain better persistency ratio;
- Do not suggest splitting of policies without analyzing the need of multiple policies;

#### COMPLIANCE MATTERS (INCLUDING KYC NORMS):

- Only use Insurers provided brochures, pamphlets etc. Outdated sales material should be destroyed on receipt of communication from Insurer.
- Do not release any advertisement about Insurance product or advertise on Internet without prior written approval from the concerned authority.
- Only the approved benefit illustrations of the various products should be provided and signed from the applicant. Do not create unapproved sales material / benefit illustration.
- Never provide incomplete comparison of any plan with that of plan of another insurer with the intent to convince a customer to lapse or surrender an existing policy.
- Never use unapproved publicity material.
- Do not circulate 'for internal circulation' material, to public or prospective customer.

#### DOCUMENTATION:

- Guide customer to fill application form.

- Proposal form should be complete in all respect and no column should be left blank.
- Do not omit material information or induce customer to submit wrong information in application form.
- Ensure signing of 'Need Assessment Form' along with the application form, to be signed by the Branch Head and SP, to illustrate that the sale matches the needs of the customer.
- Ensure to collect KYC proofs (like Id-proof, address proof etc.) as required, duly signed by the Policy Holder.
- Collect enough information to reasonably determine the identity of the customer, residential details and that the source of funds is legitimate.
- All declaration incorporated in the proposal form, especially the declaration in case of Vernacular language & in the case of illiterate applicant, should be properly obtained.
- Customer's perspective should be clear that he is taking a Life-Insurance Policy and not the FDR of the bank.

#### CONTROL MEASURES:

- To avoid usage of fake supporting documents, all documents should be got signed in own presence and in case of photo copies, the original document should be verified and these should be self-signed by the applicant.
- It should be ensured that the documents given by the customer are not manipulated. The documents provided in original should also be got signed from the customer;
- Documents evidencing date of birth, financial status & address proof of the applicant are crucial one, hence these should be properly scrutinized before acceptance.
- Signature of the Witness(s), where ever required on the proposal form/other documents should be obtained in own presence.
- The address given by the customer should be complete in all respect and it should be duly supported by some acceptable documentary evidence.
- Please enquire about the health condition and occupation of the customer as these aspects impact the underwriting decision of the insurer.
- Do not offer rebate to customer;

#### POLICY SERVICING:

- Render prompt assistance to the customer for policy issuance, servicing and claims.
- Customers' complaints should be got resolved as per complaint process introduced by Insurer. Besides, there should be strict adherence to the other regulatory/statutory guidelines and instructions issued by the bank from time to time.

## Annexure-'B'

### CODE OF CONDUCT

#### 1. General Code of Conduct:

Every Specified Person shall follow recognized standards of professional conduct and discharge their duties in the interest of the policyholders. While doing so –

- Conduct its dealings with clients with utmost good faith and integrity at all times.
- Act with care and diligence;
- Ensure that the client understands his relationship with the corporate agent and on whose behalf the corporate agent is acting;
- Treat all information supplied by the prospective clients as completely confidential to themselves and to the insurer(s) to which the business is being offered;
- Take appropriate steps to maintain the security of confidential documents in their possession;

#### 2. Pre-sale Code of Conduct

Every Specified Person shall also follow the code of conduct specified below:

(i) Every specified person shall,--

- Identify him-self and disclose his registration/certificate to the prospect on demand;
- Disseminate the requisite information in respect of insurance products offered for sale by the insurers with whom they have arrangement and take into account the needs of the prospect while recommending a specific insurance plan;
- Disclose the scales of commission in respect of the insurance product offered for sale, if asked by the prospect;
- Indicate the premium to be charged by the insurer for the insurance product offered for sale;
- Explain to the prospect the nature of information required in the proposal form by the insurer, and also the importance of disclosure of material information in the purchase of an insurance contract;
- Bring to the notice of the insurer any adverse habits or income inconsistency of the prospect, in the form of a Confidential Report along with every proposal submitted to the insurer, and any material fact that may adversely affect the underwriting decision of the insurer as regards acceptance of the proposal, by making all reasonable enquiries about the prospect;
- Inform promptly the prospect about the acceptance or rejection of the proposal by the insurer;
- Obtain the requisite documents at the time of filing the proposal form with the insurer; and other documents subsequently asked for by the insurer for completion of the proposal;

(ii) No specified person shall, ----

- Solicit or procure insurance business without holding a valid registration/ certificate.
- Induce the prospect to omit any material information in the proposal form.
- Induce the prospect to submit wrong information in the proposal form or documents submitted to the insurer for acceptance of the proposal.
- Behave in a discourteous manner with the prospect;
- Interfere with any proposal introduced by any other specified person or any insurance intermediary.
- Offer different rates, advantages, terms and conditions other than those offered by the insurer.
- Force a policyholder to terminate the existing policy and to effect a new proposal from him within three years from the date of such termination.
- No corporate agent shall have a portfolio of insurance business from one person or one organization or one group of organizations under which the premium is in excess of fifty percent of total premium procured in any year.
- Become or remain a director of any insurance company, except with the prior approval of the Authority.
- Indulge in any sort of money laundering activities.
- Indulge in sourcing of business by themselves or through call centers by way of misleading calls or spurious calls.
- Undertake multi-level marketing for soliciting and procuring of insurance products.
- Engage untrained and unauthorized persons to bring in business.
- Provide insurance consultancy or claims consultancy or any other insurance related services except soliciting and servicing of insurance products as per the certificate of registration.
- Engage, encourage, enter into a contract with or have any sort of arrangement with any person other than a specified person, to refer, solicit, generate lead, advice, introduce, find or provide contact details of prospective policyholders in furtherance of the distribution of the insurance product.
- Pay or allow the payment of any fee, commission, incentive by any other name whatsoever for the purpose of sale, introduction, lead generation, referring or finding to any person or entity.

### (iii) Post-Sale Code of Conduct

- Every Specified Person shall –
- Advise every individual policyholder to effect nomination or assignment or change of address or exercise of options, as the case may be, and offer necessary assistance in this behalf, wherever necessary.

- With a view to conserve the insurance business already procured through him, make every attempt to ensure remittance of the premiums by the policyholders within the stipulated time, by giving notice to the policyholder orally and in writing.
- Ensure that its client is aware of the expiry date of the insurance even if it chooses not to offer further cover to the client.
- Render necessary assistance to the policyholders or claimants or beneficiaries in complying with the requirements for settlement of claims by the insurer.
- Give prompt advice to the client of any requirements concerning the claim;
- Forward any information received from the client regarding a claim or an incident that may give rise to a claim without delay, and in any event within three working days.
- Advise the client without delay of the insurer's decision or otherwise of a claim; and give all reasonable assistance to the client in pursuing his claim.
- Shall not demand or receive a share of proceeds from the beneficiary under an insurance contract.
- Accept complaints either by phone or in writing.
- Acknowledge a complaint within fourteen days from the receipt of correspondence, advise the member of staff who will be dealing with the complaint and the timetable for dealing with it.
- Ensure that response letters are sent and inform the complainant of what he may do if he is unhappy with the response.
- Ensure that complaints are dealt with at a suitably senior level and the same to be escalated to HO Marketing Division.
- Have in place a system for recording and monitoring complaints.

#### *Annexure-‘C’*

The following certificate will be issued by every Branch Head/ SP to confirm before login of fresh insurance business that:-

- a) Insurance products sold to customers match his/her profile –‘Need Assessment Form’
- b) Policy sourced only after assessing customer’s need, ascertaining his/her financial status, income etc. and is on voluntary basis and there is no force sale.
- c) Policy sourced only after explaining PPT, terms and conditions, lock in period, whether ULIP or Traditional policy and customer’s consent taken at the time of the sale to the prospect.
- d) All regulatory/ bank guidelines issued from time to time have been complied

## Annexure II

### Do's and Dont's for the Specified Persons of the Bank:

#### Every Specified Person should:

- At all times be courteous and cordial to all the customers while suggesting insurance solutions.
- Identify the Prospect to solicit appropriate life insurance solutions without exerting coercion or undue influence.
- Ensure that the product/plan suggested covers the Proposed Insured financial goals/needs. A proper Need-based Analysis could be a good indicator of such needs and goals and the applicability of the suggested insurance plan.
- The premium suggested is as per the financial standing and paying capacity of the customer both in terms of fresh policy and payment of subsequent renewals.
- Copy of the Proposal Form along with all additional documents should at all times be maintained separately in the branch.
- The Specified Person should extend all help to the Nominee/Claimant/Beneficiary in case of claim arises.

#### A Specified Person should not:

- Behave in a discourteous or rude manner with the Proposed Insured under any circumstances.
- Provide any customer information to any persons without the knowledge and specific instruction of the Branch Head.
- Resort to any ulterior motive while soliciting life insurance solutions.
- No incentive/gift or any other form of appeasement should be accepted from Channel Partners or suggest to the Proposed Insured. Further, no promise of making available any financial facility in lieu of the purchase of the policy should be suggested to the customer.

The above, Do's and Dont's though not exhaustive are meant for Specified Persons to adhere to utmost integrity and honesty while canvassing life insurance policies.

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