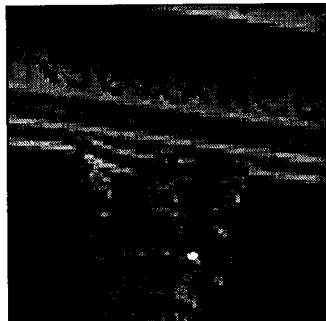


## **Swarup panel's suggestions "misconceived": insurance brokers**

Tuesday, November 24, 2009, 00:11 IST



Bangalore: The Insurance Brokers Association of India (IBAI) on Monday dubbed the recommendations of the Swarup Committee, which proposed doing away with commission charged by insurance agents by 2011, as "misconceived".

It also demanded setting up of a mechanism to reduce delays in renewal of licences.

"We believe that the recommendations of this committee are misconceived and the Indian insurance market is not that developed to accept them," IBAI president Bharat J Boda said at the annual summit of the association here.

Earlier, in its consultation paper, the Committee on Investor Awareness and Protection headed by D Swarup, had proposed elimination of upfront commission paid to insurance agents in a phased manner by April 2011.

Referring to the recommendation, Boda questioned the need to raise an issue about brokerage or commission which has been a well-settled practice.

Drawing attention to problems faced by members over delay in renewing licences, he said though the first renewal in 2006 was smooth, in 2009 brokers faced delays, due to which some insurance companies stopped accepting business from members.

"As on date many licences are pending with IRDA for renewal", he said, adding that "We insist that a mechanism be established" to reduce delays faced by brokers.

Earlier, it had been agreed with Insurance Regulatory Development Authority that pending renewal, a "comfort letter" would be issued to members. But discontinuation of this practice has left brokers helpless and adversely impacted business of brokers, Boda said.

He said despite the presence of 42 insurers in Life and General Space, the awareness, reach and penetration of insurance among people has "not attained desired levels".

He said if brokers are to play a meaningful role in developing the insurance market, it is necessary that they be "empowered through friendly regulations" and other supportive measures which would provide incentives to concentrate on more penetration in the market.

IBAI also expressed its grievance over non-representation from the broking community on three committees formed by IRDA to look into issues relating to intermediaries.

## **Reduce delay in license renewal: Insurance brokers**

BANGALORE, November 24, 2009: The Insurance Brokers Association of India (IBAI) on Monday sought implementation of a mechanism to reduce delays in renewal of licences and dubbed the recommendations of the Swarup Committee as being "unpractical" and "misconceived".

Delegates from across the country participated in the one-day summit held at the Hotel Lalith Ashoka here.

The IBAI believe that the recommendations of this committee are misconceived and the Indian insurance market is not that developed to accept them" Bharat J Boda, IBAI president, said speaking at the sixth annual summit of the insurance brokers association of India here.

Referring to the commission's recommendation of phasing out commission and adopting a fee-based structure, Mr Boda questioned the need to raise an issue about brokerage or commission which has been a well-settled practice.'

Drawing attention to problems faced by members over delay in renewing licences, he said though the first renewal in 2006 was smooth, in 2009 brokers faced delays, due to which some insurance companies stopped accepting business from members.

"As on date many licences are pending with IRDA for renewal", he said adding that association demanded a mechanism be established to reduce delays faced by brokers. Earlier, it had been agreed with IRDA that pending renewal, a comfort letter would be issued to members.

But discontinuation of this practice has left brokers helpless and adversely impacted business of brokers, he said. Mr Boda said that despite the presence of 42 insurers in Life and General Space, the awareness, reach and penetration of insurance among people has "not attained desired levels.

Our Correspondent

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## **Implement mechanism to reduce delay in licence renewal: IBAI**

**Press Trust Of India / Chennai/ Bangalore November 24, 2009, 0:36 IST**

The Insurance Brokers Association of India (IBAI) today demanded implementation of a mechanism to reduce delays in renewal of licences and dub-bed the recommendations of the Swarup Committee as being "unpractical" and "misconceived".

"We believe that the recommendations of this committee are misconceived and the Indian insurance market is not that developed to accept them", Bharat J Boda, IBAI president, said speaking at the sixth annual summit of the insurance brokers association of India here.

Referring to the commission's recommendation of phasing out commission and adopting a fee-based structure, he questioned the need to raise an issue about brokerage or commission which has been a well-settled practice."

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