



Title: Notice

Reference No.: 014/ IRDA/NOT/BRO/MAY-07

Date: 23/05/2007

``Documentation & Procedural requirements for obtaining Broker License``

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A . Submission of Completed Application.

1. Submission of relevant information as required in the FORM A format available on the IRDA website [www.irdaindia.org].
2. The declaration forming part of the application format should be signed by two directors.

B . Documents / Requirements.

1. Remittance of requisite fee as per category of insurance broker applied by demand draft payable at Hyderabad , as prescribed under Schedule II of IRDA (Insurance Brokers) Regulations, 2002.
2. Printed copy of Memorandum and Articles of Association issued by Registrar of Companies. The main objects of the Memorandum and Articles of Association should be as per regulation 9(2) (H) of the IRDA's (Insurance Brokers) Regulations, 2002.
3. Steps should be undertaken by the applicant to ensure compliance of the training requirements as specified in regulation 9 (2) (F). Training requirement as specified under section 9 (2) (F) of the IRDA (Insurance Brokers) Regulations, 2002 is a requirement to be complied with before any application could be considered for grant of license.
4. One Principal Officer has to be there in a broking company fulfilling the requirements as per Regulation 9.
5. Information on whether any person associated with the applicant company in his capacity as Directors/shareholder/promoter/key management personnel or employees is holding any insurance agency or insurance surveyor's license. If yes, the complete details thereof. As per the regulations, no agent or surveyor can work as a broker. The applicant should take steps to cancel the agencies and submit documentary proof of the same to the Authority.
6. Detailed CV of all the directors highlighting their past and present activities.
7. Detailed CV's and attested copies of testimonials of the educational qualifications of the principal officer and key management personnel.
8. Principal Officer to submit an affidavit, duly notarized certifying to the effect that that the applicant (directors, principal officer, key management personnel and employees of the company) are not suffering from any of the disqualifications specified under sub-section 42 D of the Insurance Act, 1938.
9. List of all shareholders (current as well as proposed) of the applicant company.
10. Photocopy of the asset register of the firm, duly certified by CA.
11. List of employees who will be responsible for soliciting and procuring insurance business along-with their qualifications.
12. Details of statutory auditors and Principal Bankers along with the Bank Account Number of applicant.

13. If shareholder is firm/firms, confirm whether it/they is/are Non-Banking Finance Companies. If yes, submit a No Objection Certificate from Reserve Bank of India regarding their promoting and investing in Applicant Company. If not, submit a certificate to that effect from the statutory auditors.
14. If shareholder is firm/firms, furnish the Board Resolution passed by it/them in promoting and investing in Applicant Company.
15. If shareholder is firm/firms, submit the audited annual report, balance sheet for the last three years along with certified copies of income tax returns.
16. In case of individual promoters, submit certified copies of income tax returns along with copies of balance sheet filed duly certified by the auditors for the last 3 years along with net worth certificates certified by CA.
17. Balance sheet of the applicant company
18. Explain in detail the existing activities undertaken by the applicant company.
19. Clarification on how the applicant company proposes to deal with its existing customers/ business/liabilities once it enters the field of insurance broking.
20. The company must have the words `Insurance Broker` or `Insurance Broking` in its name so as to reflect its line of activity i.e. insurance broking.
21. Details of infrastructure along with supporting evidence thereof like ownership/lease agreement papers with regard to office space/ equipment/ trained man power, etc. for the registered office and the future planning for opening branch offices at various locations in the country and the estimated time frame with photographs of premises.
22. Projections of administrative expenses, salaries and wages and other expenses, draw the revenue account, the profit and loss account and the balance sheet for the projected 3 years.
23. Organization chart giving a complete picture of the company's activities like IT, underwriting, risk assessment, claims settlement, marketing, accounts, back office etc.
24. List of experienced personnel inducted from general and life insurance background with good knowledge and experience of working in the areas of risk assessment, underwriting and claims management etc. Submit detailed CV, copies of educational qualifications along with their appointment/joining letters of the people, so selected, to the Authority.
25. Bring on record any other information which is relevant to the nature of services rendered by the applicant for the growth and promotion of insurance business.

C. Personal Presentation

The applicant after fulfilling the given requirements is required to appear before the Authority for a presentation of business plans in connection with the application.

The above list of documents/requirements is indicative only and not exhaustive. The additional documents will be advised based on the category of license applied, pattern of shareholding, any other compliance matter required as per IRDA (Insurance Brokers) Regulations, 2002 and views of the Authority.

(M.M. SIDDIQUI)
Consultant & Special Officer