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| |  | | --- | | **Circular** | | |  |  | | --- | --- | | **Ref. No:**IRDA/AgencyDistribution/CIR/CorpAgency/086/04/2020 | **Date:**08-04-2020 | | | **Corporate Agency matters of the PSBs that have merged w.e.f. 1st April 2020** | | |  | | --- | | **Ref: IRDAI/CA/CIR/MISC/086/04/2020 Date- 08.04.2020**    **To CEOs of concerned Public Sector Banks(PSBs) and Insurers**  **Re: Corporate Agency matters of the PSBs that have merged w.e.f. 1st April 2020**    1.    Scope of the circular  This circular is applicable to the four banks emerging from the mega merger exercise effected from 1st April, 2020; i.e. Punjab National Bank, Canara Bank, Union Bank of India and Indian Bank and concerned insurers. In this circular, the four banks are referred as ‘Acquiring Bank’ and the banks that were merged with the acquiring bank are referred as ‘Acquired Bank’.    2.    Surrender of Certification of Registration (COR)  Acquiring bank shall retain the existing COR to act as a corporate agent and surrender COR(s) held by acquired banks by submitting written request to the Authority. The surrender shall be allowed subject to undertaking from the acquiring bank regarding servicing of existing policyholders of acquired banksby entering into suitable arrangement with the insurers that had arrangement with acquired banks. In case of non-agreement between concerned insurer and acquiring bank, the insurer shall be responsible for servicing existing policyholders of acquired bankstill expiry of the policy term.    3.    Harmonisation of corporate agency agreements between acquiring banks and insurers  A.    Notwithstanding the provisions of Reg. 3 of IRDAI (Registration of Corporate Agents) Regulations, 2015, the acquiring bank may continue arrangement with more than 3 entities in each of the life, generaland health categories of insurers for a period of 12 months from the date of merger by transfer of the existing insurance arrangements of the acquired banks to their name by way of an addendum to the existing corporate agency agreement executed by the acquired banks. This exemption allowsonly for transfer of existing insurance arrangements of acquired banks to the acquiring banks and shall not be construed as permission of the Authority to enter into new arrangements with other insurers.    B.    The acquiring banks shall submit to Authority duly revised Board approved policy on adoption of open architecture and on the manner of soliciting and servicing insurance policies, as per Reg. 20(1) of IRDAI (Registration of Corporate Agents) Regulations, 2015, within 60 days of completion of the merger.    4.    Transfer of Specified Persons (SPs) of acquired banksto theacquiring bank  Transfer of SPsto the acquiring bank shall be automatically recognised by the Authority on approval of surrender of CORs of acquired banks. No fee will be charged for issuance of revised SP certificates.Only the principal officer (PO) of acquiring bank shall be allowed to retain the PO certificate and the certificates granted to principal officers of acquired banksshall be automatically cancelled.    5.Renewal commission applicable to acquiring banks  The acquiring banks may receive renewal commissions under the life insurance arrangements of acquired banksonly after entering suitable arrangements for servicing of the policyholders.    6. These instructions are issued under the provisions of Sec. 34 (1) of the Insurance Act, 1938read with Reg. 32 of IRDAI (Registration of Corporate Agents) Regulations, 2015.        **(K. Ganesh)**  **Member (Life)** | |  | | | Insurance Regulatory and Development Authority of India. All Right Reserved. | |  | |
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