

## **CIRCULAR**

**IBAI/Cir/1/2018-19**

**4/5/2018**

IBAI invites the attention of their Members and their Directors/Partners(LLP)/ Authorised Persons/Brokers Qualified Persons on various provisions of the revised Insurance Brokers Regulations 2018

***1, Regulation 11(2): No insurance Broker shall be permitted to do business without a valid and current Certification of Registration***

***Penal provisions of the above regulations***

***Regulation 47 : Action against a person acting as an insurance broker without a valid certification of Registration***

- (1) Notwithstanding and without prejudice to initiation of any criminal proceedings against any person, who acts as an insurance broker without holding a valid certificate of registration issued under these regulations, the Authority may invoke against such a person penal action under the Act.*
  
- (2) Where the person falling under sub-regulation (1), is a company or firm or body corporate, without prejudice to any other proceedings which may be initiated by the Authority against such company or firm or body corporate; every director, manager, secretary or other officer of the company or body corporate, and every partner of the firm, who is knowingly a party to such a contravention shall also be liable to a penalty which may extend to ten lakh rupees.*

**2, Regulation 30 Code of Conduct for Insurance Brokers: Though all code of conducts to be followed by all the Members still the following codes are emphasised because special relationship exists between Members and IBAI**

**Schedule I Form H-**

3(a) Every insurance Broker shall confirm that it is a member of the Insurance Brokers Association of India or such a body of insurance brokers

approved by the Authority which has a memorandum of understanding with the Authority.

3(g) Every insurance brokers shall not make inaccurate or unfair criticism of any insurer or any member of the Insurance Brokers Association of India or member of such body of Insurance brokers as approved by the Authority

Comment: As on date only your Association (IBAI) is approved by the Authority.

### **Penal Provisions for non compliance of Code of Conduct**

#### **Regulation 49-Suspension or cancellation of certificate of registration with notice:**

**49(1): The certificate of registration of an insurance broker may be suspended or cancelled after due notice and after giving them a reasonable opportunity of being heard**

**(h): any indulge in rebates or inducement in cash or kind to a client or any of the client's directors or other employee or any person acting as an introducer except as permitted under these regulations**

**49(1)(i): are found guilty of misconduct or their conduct is not in accordance with the code of conduct specified in Schedule I-form -H and Schedule I -Form I whichever is applicable.**

For any clarification if any, do write to IBAI.

**By order of Board**