Framework – TPP

Document Version Control

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1.1	25TH March 2021	Suchira Goho	Sandeep Arora	New Addition of TPP products Point 2: Products proposed to `be distributed Point 5: Products & Distribution Model Point 6: Manner of Soliciting & Servicing TPP Open architecture policy –attached page 7 Open architecture – page 3 code of conduct Open architecture – page 14 - recommendation's

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1. Preamble

As part of our objective of financial inclusion, Jana Small Finance Bank (JSFB) intends to provide opportunities to its customers to avail of insurance, mutual funds and pension benefits and towards this, proposes to start distribution of third party products like insurance, mutual funds, broking referrals, pension products etc.

It is imperative that the third party products offered should be, appropriate to the needs of the customer, based on assessment of the customer's financial circumstances and understanding

This policy document is intended to put in place a broad framework for distribution of Third Party Products.

2. Products proposed to be distributed

The bank proposes to distribute the following Third Party Products:

I. Insurance
   a. Life Insurance including Group insurance
   b. General Insurance
   c. Health Insurance
II. Mutual Funds
III. 3 in 1 Account (Savings, Demat & Trading A/C) & Broking services referrals
IV. Pension Products
V. Social security schemes pertain to insurance introduced by GOI

The Product Management Committee (PMC) of the bank shall decide on the specific products to be distributed belonging to the above mentioned categories.

In future, the Bank may decide to distribute other products as permitted by extant regulatory guidelines. Such decisions shall be approved by the Product Management Committee of the bank.

The Product Management Committee of the Bank shall decide on the branches through which the third party products are to be distributed. Bank will adopt open architecture policy attached below in Annexure

3. Approval from Regulators

Distribution of any third party product which require approval from the RBI/sectoral regulator shall be commenced only after necessary approvals are in place.

4. Partners for Third Party Products

The Product Management Committee of the bank shall evaluate and select partners for the distribution of third party products. Following broad criteria shall be used for engagement of partners.

- Experience in the respective business line.
- Availability of product and services in different segments which suit the need of the bank's customers.
- Brand value and market reputation of the proposed partners
- Distribution and reach of partner network which is in line with the bank's branches and channels.
- Persistency ratio, Claims Ratio and Complaints /Grievance Redressal record

The bank shall enter into necessary Service Level Agreements with the proposed partners before distribution of the products.

5. Products & Distribution Model

Insurance

The Bank shall use the Open Architecture Corporate Agency model for distribution of life insurance (including group insurance) General insurance & Health Insurance. Under this model, the bank may tie up with amaximum of three insurers in Life Insurance segment, three insurers in the General Insurance segment & three insurers in the Health insurance segment. In case of group insurance, the Bank may also use the Master Policy model, wherein thebank takes a Master Insurance Policy and adds customers to this policy as consented by the customers.

The Bank shall register itself as a "Corporate Agent (Composite)" for the distribution of life insurance (including group insurance) general insurance products & Health insurance products. While carrying out the distribution operations, it will be ensured that:

- Insurance shall be solicited only by the employees having a valid certificate issued by IRDAI to act as Specified person, under the Regulation.
- The prospect/customer will not be compelled to buy an insurance product being offered along with the Bank products.
- Insurance products shall be offered on the basis of need analysis and financial assessment of the customer.
- All requisite information as per IRDAI regulation in respect of the insurance product being offered, shall be disseminated to the prospect/customer as also the list of insurers with whom Bank has arrangements to distribute the products.

Mutual Funds

The bank shall offer Mutual Funds to its customers through its branches and channels. While carrying out the distribution operations, it will be ensured that:

- Mutual Funds will be sold only by the employees having a valid certificate issued by AMFI to act as certified person, under the Regulation.
- The prospective customer is not be compelled to buy a mutual fund product being offered along with the Bank products.
- Mutual fund product shall be offered on the basis of need analysis and financial assessment of the customer.
- All requisite information as per SEBI regulation in respect of the mutual product being offered, is disseminated to the prospective customer as also the list of partners with whom Bank has arrangements to distribute the products.

3 in 1 account & Broking Services

The bank shall refer its prospective customer through its branches and channels. While carrying out of the distribution, it will be ensured that:

- The bank and broking partner would strictly adhere to the Know Your Customer (KYC)/Anti-Money Laundering (AML) guidelines in respect of the customers who are being referred.

- The bank would make it explicitly clear upfront to the customer that it is providing purely a referral service strictly on a non-risk participation basis.

- Broking Partner would adhere to the relevant regulatory guidelines applicable to them.

- The bank would strictly adhere to the relevant RBI guidelines.

Pension Products

The bank intends to offer Pension products under National Pension Scheme and Atal Pension Yojana and other government promoted products and services through its branches and channels under the extant guidelines of PFRDA & regulators

Social security schemes pertains to insurance introduced by GOI

The bank intends to offer Social security schemes which are introduced by ministry of finance like Pradhan Mantri Suraksha Bima Yojana, Pradhan Mantri Jeevan Jyoti Bima Yojana and other government promoted products and services through its branches and channels under the extant guidelines of Regulators.

6. Suitability and Appropriateness

The Bank will ensure that the products offered will be, appropriate and suitable to the needs of the customer and will be based on an assessment of the customer's financial circumstances and understanding. In this regard, the bank shall specifically:

- Endeavour to make sure that the product or service sold or offered is appropriate to the customer's needs and not inappropriate to the customer's financial standing and understanding based on the assessment made. Such assessment will be made on the basis of detailed operating guidelines to be framed by the bank and appropriately documented.
- Not to compel any customer to subscribe to any third party products as a quid-pro-quo for any service availed from the bank.
- Provide customers with clear information about the products and services, terms and conditions and all associated charges in simple and easily understandable language, and with sufficient information so that the customer can be reasonably expected to make an appropriate and informed choice of product.
- Make known the key risks associated with the product, to the customer, as well as any feature that may especially disadvantage the customer. Most Important Terms and Conditions (MITC) associated with the product or service will be clearly brought to the notice of the customer while offering the product. In general, it will be ensured that terms and conditions associated with the product of the customer's choice will not inhibit a customer's future choice.
- Ensure that all terms and conditions are fair and set out the respective rights, liabilities and obligations clearly and as far as possible in plain and simple language
- Inform the customer about his/her responsibility to promptly and honestly provide all relevant and reasonable information that is sought by bank to enable them to determine the suitability of the product to the customer.
- Create an investment profile for all customers availing mutual funds through the bank. The purpose of the investment profiling is to understand the financial and investment needs of the customers. This will help us in suggesting suitable investment solutions.

Detailed operating guidelines in this regard will be prepared by the Bank with the approval of the Risk Management Committee of the Bank.

Audit Team – Internal Audit Team will have periodic monitoring for ensuring implementation of the suitability and appropriateness process which is defined in this framework. Audit team will undertake random sampling of cases at branches as well as offsite monitoring centrally to ensure adherence of current processes.

6. Manner of soliciting and servicing Third Party Products

The third party products will be solicited and serviced only by those employees having valid certification/qualification as specified by the respective sectoral regulator.

When marketing various products, bank will ensure customer's interest and suitability to their financial needs is paramount.

The Risk Management Committee of the bank will formulate detailed operating guidelines in this regard.

The Bank will develop training modules which will include product specific training in line with IRDAI SP/POSP training, sectoral training, appropriateness training, training for selling and avoiding miss-selling and servicing. While these training will be provided to all frontline staff dealing with customers by the bank/insurer.

The Bank may adopt telemarketing mode for solicitation of insurance products, subject to compliance with various rules and regulations of corporate agents & distance marketing guidelines governing thereof.

7. Appointment of Principal Officer and Specified Persons for distribution of insurance products

The Bank will appoint one of its Directors/officers or an employee who possesses the requisite qualifications, practical training and has passed examination under IRDAI regulations as 'Principal Officer', exclusively to supervise the activities of the bank as a Corporate Agent. The appointment of Principal Officer shall be subject to approval from IRDAI. The bank will also appoint Specified Persons as provided by IRDA and ensure that soliciting of insurance products shall only be done only by 'Specified Persons'.

The roles and responsibilities of the Principal Officer and Specified Persons will be in accordance with the IRDA guidelines and will be detailed in the operating guidelines.

8. Grievance Redressal Mechanism

The bank has already put in place a grievance redressal mechanism for its customers in respect to its banking products. The standards of grievance redressal mechanism for the various third party products shall be drawn in line with the extant guidelines as prescribed by the respective regulator and will be incorporated in the overall grievance redressal mechanism of the bank

The Risk Management Committee of the Bank will approve such additions/amendments to the existing grievance redressal mechanism.

9. Maintenance of Records

The Bank will maintain all the required records pertaining to distribution of third party products as per extant guidelines issued by the respective regulator.

10. Compliance and Reporting Requirements

The Bank will comply with all the reporting/disclosure requirements with respect to the distribution of third party products as prescribed by the respective regulator.

11. Training and development

The Bank shall with the assistance from the respective partners (tied up for distributing and servicing third party products) provide adequate training and development to its staff and Specified Persons /Authorized Verifiers on periodical basis.

The Bank shall develop/create training modules, brochure, presentation and leaflet in co-ordination with the partners. Training to the Specified Person will be conducted about process/guidelines for selling and servicing insurance products which needs to be strictly adhered by the Specified Person to avoid miss-selling/forced selling to the customer. Bank's customers will be apprised of the products features/process via leaflets and bank's website.

Point of sale person (POSP) will be identified and deployed at the Bank branches only on completion of the training and necessary certification by the relevant certifying entity.

12. Policy Maintenance, Review and Approval

This policy shall undergo an annual review and approval process by the Board of Directors through the Audit and Compliance Committee of the Board. In the interim, if any change is warranted on account of changes in regulatory environment, such changes may be approved by the Risk Management Committee of the Bank and shall be deemed to be part of the policy until the policy is comprehensively reviewed by the Board.

13. Effective Date

This policy comes into effect immediately on approval by the Board of Directors of the Bank.

14. Annexure- IRDAI format of Open Architecture Policy to be approved by Board for submission of Corporate Agency Application.

This annexure is in the predefined format by IRDAI. Submitted to Board to review and approve this policy post which the Bank shall submit 'Open Architecture application' to IRDAI for Corporate Agency License.

Open Architecture final.doc

Open Architecture Policy

Introduction:

Background:

Effective from 1st April, 2016, the IRDAI Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015 **["the Regulations**"] have introduced significant changes with respect to insurance intermediation by entities in the capacity of corporate agents. The purpose of this note is to appraise the Board on an overview of the changes introduced, highlights and positives of the new regime along with briefly indicating the action points in order to seek approval for adopting open architecture model for distribution of insurance business as a corporate agent.

Our Understanding

Open Architecture was first recommended by ---- Committee Report on Bancassurance (2011), where it was suggested that same would be in the interest of policyholder. Open Architecture is based upon the philosophy of spreading of product choices for both, customers and corporate agents.

To meet the aforementioned objective, the corporate agent is required to formulate board approved policy for open architecture in terms of Reg. 20 of the Regulation.

Board Approved Policy

One of the most important requirements as per the new Regulations is filing with the Authority, at the time of seeking registration, a Board or its equivalent Approved Policy which inter alia covers:

(a) The manner of soliciting and servicing insurance products,

(b) The manner of adopting the philosophy of open architecture,

(c) The approach to be followed by the corporate agent in having single or multiple tie-ups,

(d) The partners in the tie-ups,

(e) The business mix,

(f) The type of products sold,

(g) Grievance redressal mechanism and

(h) Reporting requirements.

Agreement with Insurance Companies

Agreements between the corporate agent and insurance companies for distribution of their products is prescribed under Reg. 23 of the Regulations. Below are the key provisions in this regard:

(a) Disclosure to the Authority within 30 days of entering into such arrangements.

(b) Minimum period of arrangement to be one year.

(c) No requirement of having arrangements with multiple insurer at the time of licensing.

(d) No promise of exclusivity in arrangements is to be made.

(e) Agreements need to include aspects relating to duties and responsibilities of corporate agents towards the policyholders, duties and responsibilities of insurers and corporate agents and terms and conditions for termination of arrangements.

(f) Corporate Agent may terminate arrangement with any insurer after informing the other party and the Authority along with, the reasons for termination of arrangement. In case of termination at the instance of corporate agent, suitable arrangements are required to be made for servicing of policies solicited and placed with the insurer for the timeframe stipulated in the regulations. In case of termination at the instance of insurer, the insurer is required to inform the concerned policyholders of the changes made in servicing arrangements.

(g) Authority reserves the right to direct any insurer or corporate agent to terminate the distribution arrangements by recording the reasons there for.

(h) Insurers have been prohibited from making payment of incentives (cash or non-cash) to the principal officer, specified persons and other employees of the corporate agents.

Disclosures to customers in case of Multi Insurer Tie and no force selling

A. Disclosures: Under Regulation 21, while soliciting and procuring the insurance business, the corporate agent shall disclose to the prospective customer:

   (a) The list of insurers with whom they have arrangements to distribute the products

   (b) Provide them with details such as scope of coverage, term of policy, premium payable, premium terms and any other information which the customer seeks on all products available with them.

   (c) Scale of commission in respect of the insurance product offered, if asked by the prospect;

B. No forced selling:

(a) Where insurance is sold as an ancillary product along with a principal business product, the corporate agent or its shareholder or its associates shall not compel the buyer of the principal business product to necessarily buy the insurance product through it.

(b) No insurer shall require the corporate agent to insure every client with it.

(c) The Principal Officer and CFO (or its equivalent) of the corporate agent are required to file with the Authority a certificate in the prescribed format (Schedule VIII) on half-yearly basis, certifying that there is no forced selling of an insurance product to any prospect.

Code of Conduct

Code of Conduct provided under the Regulation requires the corporate agent to follow recognized standards of professional conduct and discharge their duties in the interest of the policyholder. The Code of Conduct prescribed has to be mandatorily followed as per regulations of corporate agents – Attached in annexure A

Do's & Don'ts: In line with the Regulations, some do's and don'ts to be followed by Corporate Agents, while soliciting and servicing insurance products are as mentioned herein below:

Do's

1. Obtain fresh certificate of registration, as required under the regulations;
2. Ensure availability of necessary infrastructure such as adequate space, equipment and trained manpower for effective discharge of duties;
3. Comply with applicable capital requirements, as required under the regulations;
4. Solicit and procure policies in line with the available resources (including the number of Specified Persons)
5. Disclose to customers, list of insurers including details such as scope of coverage, term of policy, premium payable, premium terms etc. in order to avoid conflict of interest;
6. Service policyholders during the entire period of contract.
7. Develop a mechanism for grievance redressal of policyholders;
8. Capture policy-wise and specified person-wise details in prescribed formats, wherein policy has been tagged to Specified Person;
9. Capture policy-wise and Authorised Verifier-wise details in prescribed formats, wherein policy solicited through distant mode has been tagged to Authorised Verifier;
10. Maintain separate books of accounts for corporate agency business;
11. Take out and maintain at all times a professional indemnity insurance cover, if applicable, throughout the validity period of registration;

12. Maintain records as specified in the regulations and make it available to the Authority, as and when required;
13. Ensure compliance with the Code of Conduct applicable to Directors, Principal Officer, Specified Persons and other employees;
14. To be responsible for all the acts and omissions of the Principal Officer, Specified Persons and other employees;

Comply with provisions of the Insurance Act, 1938, as amended from time to time, IRDA Authority Act, 1999 and the Regulations, circulars, guidelines and other instructions issued thereunder from time to time;

Don'ts

1. Ensure that no prospect is forced to buy an insurance product;
2. Abstain from receiving any signing fee or other charges from the Insurer, except those permitted by the Authority;
3. Refrain from undertaking multi-level marketing for solicitation of insurance products;
4. Ensure that no incentives (cash or non-cash) are paid directly to the Principal Officer, Specified Persons and other employees;
5. Ensure that no promise is made for distributing products of a particular Insurer;

Ensure that no arrangements are made with the Insurer's which are against the interest of Policyholders.

IMPORTANT POINTS INTRODUCED BY THE REGULATION

Based on the discussion above, some major changes introduced by the Regulation are as follows:

1. Open Architecture Policy - Option of Multiple arrangements in individual line of business

Corporate Agent may tie-up with maximum 3 insurance companies for the line of business and Composite Corporate Agent may tie-up with maximum 3 insurance companies for each line of business.

2. Grievance Redressal Mechanism

IRDAI has put additional responsibility on corporate agent for redressal of customer grievances within stipulated timeframe of 14 days. The corporate agent should have Board approved policy for adopting the same.

3. Certification by CEO and CFO of Corporate Agent and returns to be submitted

Certification to be submitted by the corporate agent duly signed by CEO and CFO of the Corporate Agent on the remuneration and other payments received from the insurer, insurer wise business placed as well as on no forced selling. Person responsible to certify on insurer wise business needs to be specified in Board Approved Policy.

Further, Reg. 20 prescribes a requirement of furnishing half-yearly returns to the Authority in the formats specified by the Authority, before 31st October and 30th April every year. The Authority on examination of the returns furnished may issue such directions or advices as it deem necessary to the corporate agent and shall be complied with the same.

4. Appointment of Principal Officer and Specified Persons

Corporate agent needs to appoint a director or a partner or any officer or an employee designated as 'Principal Officer' and approved by the Authority (IRDAI), exclusively to supervise the activities of Corporate Agent and who possesses the requisite qualifications and practical training and has passed examination as required under IRDAI regulations. Existing SP and CIE may continue. Existing/erstwhile CIE can, based on qualification, be appointed as SP or PO.

5. Liability of Corporate Agent

The corporate agent shall be responsible for all the acts and omissions of its principal officer, specified persons and other employees including violation of code of conduct specified under these regulations and liable to a penalty which may extend to one crore rupees under the provisions of Sec.102 of the IRDA Act.

6. Maintenance of various books of accounts and records

Schedule to CA's financial statements to provide details of

(a) All the incomes received from insurers and insurer's group companies, insurer-wise,

(b) Payments received by the group companies and/or associates of the corporate agent from an insurer and the details thereof.

(c) In the case of corporate agents whose principal business is other than insurance intermediation they shall maintain segment wise report capturing the revenues received for insurance intermediation and other income from insurers.

(d) Audited Copy of Financial Statement to be submitted to IRDAI along with Auditor's report to be submitted by 30th September.

Corporate agent is required to maintain following records including in electronic form:

(a) KYC records of clients,

(b) Copy of proposal form and ACR,

(c) Register of list of clients, register of complaints,

(d) Copies of correspondence exchanged with IRDAI to be maintained.

7. Details to be provided in Application Form

Following details are to be provided in/along with the application form in the formats prescribed in the Regulations:

(a) Specified Persons of corporate agent

(b) Proposed/existing Branch where the corporate agent proposes to distribute insurance is required to be furnished to the Authority

(c) Branches where Corporate Agent proposes to sell insurance through tele-marketing.

8. Permission to tele-market

Corporate Agents are now permitted to solicit business through tele-marketing, but with prior approval of IRDAI. Board Approved Policy to specifically mention regarding proposed tele-marketing activity to be carried out by corporate agent, either directly or through a tele-marketer.

<u>Open Architecture Policy Introduction:</u>

For undertaking insurance distribution business through corporate agency, the existing corporate agents are required to obtain registration from IRDAI under the Regulations. The corporate agents are also required to have Board approved Policy for Open Architecture in place and same is Required to be filed with IRDAI at the time of seeking registration under the Regulation.

➢ No additional responsibility in case of multi tie-up:

- From the changes as introduced by the Regulation as discussed above, it is seen that no additional responsibility has been imposed on the entity going for multi insurer tie up under open architecture model as against single insurer tie up. On the other hand there are certain advantages of opting multi insurer tie up under open architecture model as mentioned below:
- The essential components of Board Approved Policy for Open Architecture have already been highlighted at the beginning of this note. Key points to be noted by the Board are as below:

- In the first place categorically lay down whether as an entity it is interested in Corporate Agency for single line of business or Composite Corporate Agency for multiple line of business like Life, Health, and General.

- Whether as an entity it intends to adopt open architecture immediately or in a time frame phased manner.

- In case where adoption of open architecture is deferred the time frame in which the decision to adopt would be reviewed needs to be specified.

- In case where the Board decides to adopt open architecture immediately, it further needs to specify:

    - Whether it would go for 2 insurer or 3 insurer tie up
    - Partners in tie up if already decided or criteria for selection of partner, wherein choice of partner can be delegated to CEO

- Business mix, in case the entity has decided for opting for open architecture model under Composite Corporate Agency.

- For single line of business, the Board can specify the limits of insurance business with each insurer subject to maximum of 50 % with 1 insurer.

- Board can specify the preferred type of products to be solicited. Aspects like soliciting products wherein comparison is available amongst the products offered by various insurer with whom tie up is made can be specified.

- Grievance Redressal Mechanism indicating the mode and manner of receiving customer grievance/complaints, registering grievance, acknowledgement of grievance, grievance Officers authorized to look into and investigate grievances, TAT's, escalation matrix if grievance is not responded within agreed TAT and action matrix on substantiated grievances.

- Reporting requirement would include aspects of authorization within the entity to report periodically to IRDAI on behalf of the entity (particularly insurer wise business placed) as well as matters to be placed before the Board.Willingness of the entity to indulge in tele-marketing activities.

Advantages of Open Architecture Policy

The following may be considered to be advantages for a corporate agent in adopting Open Architecture Policy instead of continuing with single insurer tie up.

1. **Optimal utilization of existing Infrastructure and manpower:**

   Infrastructure and trained manpower is required for solicitation of insurance business under single insurer tie up also. No additional requirement is prescribed for Open Architecture Policy and the same infrastructure and manpower may be used for solicitation for all insurers.

2. **Customer Choice:**

   Open Architecture Policy provides wider choice to customers in terms of insurance products and insurers. This may lead to higher conversion of leads to business, leading to higher earning for corporate agent. Best in class products by various insurers can be offered to a customer leading to higher success rate of conversion and also satisfied customer.

3. **Skilled Specified Person(s):**

   Specified Persons responsible for soliciting insurance become more skilled as they get an opportunity to acquire training from multiple insurers. Best practices followed by various insurers may be adopted to reduce customer grievances.

4. **Mis-selling Complaint**

   Due to increased customer choice, it becomes possible for customer to take an informed decision while choosing an insurance product as well as an insurance company, thereby reducing chances of mis-selling. Any customer grievance can be suitably handled by collecting a Declaration of the customer's choice of product and insurer after indicating the products explained.

5. **Customer Delight:**

   Increased product choice, informed decision making, reduced mis-selling eventually results in customer delight. Customer delight helps in ensuring loyalty of the customerand assuring his long term relationship with **the bank.**

Best practices:

- Open Architecture Policy enables the corporate agent to compare service standards renderedby various insurers and provide better customer service.
- It is important to understand that Code of Conduct provided under Schedule III of the Regulation, requires the corporate agent to follow recognized standards of professional conduct and discharge their duties in the interest of the policyholder.
- Therefore, it is evident from the aforementioned Regulation that to avoid conflict of interestsituation, the Corporate Agent is required to provide multiple options from the insurance products offered by tie-up insurance companies to best serve the interest of the customer.

TIn compliance with the Regulation, the Company (the Bank) hereby proposes following Policyfor Open Architecture:

Brief Background :

_________________Pvt.Ltd. Incorporated on 20/08/2008 & IRDAI granted the Corporate Agent license via License No__________effective from DD/MM/YYYY.
operations, branches and customer base>___________________________________

Organizational Structure:
_____________ <details of manpower strength of team involved in insurance business, structure, branch/regional/corporate office. Para related to business development>_____

Philosophy of Open Architecture:

The Company (The Bank) has evaluated the Regulations *vis a vis* its company (banking) operations and taken note of the various compliances which are required to be done thereunder.

The Company (The Bank) has decided to tie-up with___________Insurance Company Limited as one of the insurance partner. The Company (The Bank) believes that its insurance partners have diverse range of insurance products, which will cater various insurance needs of Bank's customers and provide better risk management services thereof. The Company (The Bank) shall take appropriate registration from IRDAI under the Regulation. While soliciting insurance business for insurance partners, The Company (the Bank) shall take into account compliance of various applicable laws. The Company (The Bank) may adopt telemarketing mode for solicitation of insurance products, subject to compliance with various rules and regulations governing thereof.

Insurance Partners:

In order to provide one-stop financial solutions to its customers and to increase penetration of third party products, The Company (the Bank)
have tied-up with_____________for distribution of Insurance Oct -2015 and **(may tie – up in future)** with YYYY-YY General Insurance Company Limited for distribution of General Insurance products and ZZZZ-ZZ Health Insurance Co. Ltd for distribution of Health Insurance Products under corporate agency arrangement.

The GMs committee shall evaluate and select third party tie-up partners with whom we shall be entering into agreement and arrangement for distribution of their products. The new partners should provide technological infrastructure and capabilities to integrate with our core system and other support systems like Customer Relationship Management, Enterprise Data ware house etc.

Business Mix:

The Company (The Bank)
 will continue to review along with its insurance partners about the best products could be offered to its customers. The main focus of The Company (the Bank) shall be on retail end where it can provide best services and excellent customer experience. The Company (The Bank) will also explore the opportunity by using telemarketing.

Type of Insurance Products:

The Company (The Bank) will provide wide range of insurance products of insurance partners to each customer. While soliciting insurance products to customers, The Company (the Bank) will assess the customer's insurance need and offer wide range of products and explain scope of coverage, term of policy, premium payable, premium terms and any other information sought by the customer. The Company (The Bank) will also disclose the commission in respect of product offered, if asked by the prospect.

Appointment of Principal Officer:

A senior official not below the rank of Fellow/Associate

________ shall be appointed as Principal Officer for the corporate agency business of The Company (the Bank.) The appointment of Principal Officer shall be subject to approval/license from IRDAI.

Grievance Redressal:

The Company (The Bank) shall maintain a register containing details of complaints received which Include name of the complainant, nature of complaint, details of policy issued/solicited and acting taken thereon. The Company (The Bank) shall forward all such customer complaints to the concern insurance company within the stipulated time.

The MD of The Company (the Bank) can also appoint an officer to ensure that the complaints of the customers are appropriately redressed.

Modifications in existing Model Policy on Third Party Products

Grievance Redressal Mechanism-

Customers can avail various grievance redressal mechanism as under for redressal of their grievance(s):

For Insurance

a) Sending complaints / representations to branch authority.
b) Sending complaint directly to concerned agency, whose Third Party Products are being marketed/referred by The Company (the Bank) with a copy to The Company (the Bank) for follow up through complaint register / drop boxes maintained at the branches and Social Media network.

c) Writing to the various authorities at the Branch / Zone / National Banking Group / Corporate office.
d) Lodging of complaint through Exclusive On-line complaint portal.

Redressal Mechanism Specifically for Insurance

e) The Company (Bank) will attend to complaints pertaining to it within 14 days of receipt of complaint at Head Office level and if customer is unsatisfied with the redressal he/she can escalate the matter to Insurer (RBI/ Banking) ombudsman or any other related appellate authority.
f) In case of all other complaints pertaining to Tie-up partners, The Company (the Bank) shall take up the matter with the concerned tie-up partner for resolution of the matter.

The various authorities on receipt of complaint to ensure that the same is entered into The Company's (Bank's) CRM portal / software and also forwarded to concerned officials / Departments / Tie up Partners for redressing the customer's grievance in the stipulated time frame .

Tie-up arrangement with New Partners/Termination of Existing contracts

The Company (The Bank's) senior executives group of The Company (the Bank) comprising of The Managing Director & CEO / Executive Director shall be authorised to empanel and de-empanel partners.

Directors & Officers Policy and Professional Indemnity Insurance Policy

The Company (The Bank) shall be responsible for all the acts and omissions of its principal officer, specified persons and other employees including violation of code of conduct specified under these regulations and liable to a penalty which may extend to one crore rupees under the provisions of Sec.102 of the IRDA Act. As per the regulations corporate agent, whose revenues from their insurance intermediation activities is more than fifty per cent of their total revenue from all the activities, shall take out and maintain at all times a professional indemnity insurance cover. However The Company (the Bank) proposes to buy a professional indemnity cover and D & O policy for the following reasons:

- Any error or omission or negligence on their part or on the part of their employees and directors.
- Any loss of money or other property for which the corporate agent is legally liable in consequence of any financial or fraudulent act or omission.
- Any loss of documents and costs and expenses incurred in replacing or restoring such documents.
- Dishonest or fraudulent acts or omissions by corporate agent's employees or former employees.

Reporting Requirement:

The Company (The Bank) shall ensure adequate compliance of IRDAI's directions.
The Principal Officer of The Company (the Bank) shall be responsible for ensuring compliance and regulatory reporting need to be done under the Regulation.

The Company (The Bank) shall furnish half-yearly returns to IRDAI insurer-wise business placed separately in respect of life, general and health insurance, in the formats specified by IRDAI, before 31st October and 30th April every year.

Training & Development:

The Company (The Bank) shall with the assistance from the respective insurance company provide adequate training and development to its ground staffs and Specified Persons on periodical basis.

Risk Perception & Mitigation:

The Company (The Bank) shall take adequate steps in mitigating risk related to operations of corporate agency function. The Company (The Bank) shall follow the written process while undertaking the insurance business through corporate agency mode.

Miscellaneous:

a) The Company (The Bank)shall ensure complete adherence to conditions stipulated in the Regulation;
b) The Company (The Bank) shall co-operate with the insurance companies in resolving customer's grievance.
c) The Company (The Bank) shall furnish relevant detail to the insurance companies to ensure compliance under the Regulation.
d) The Company (The Bank) shall uphold the interest of the customers.
e) The Company (The Bank) shall ensure timely renew its registration with IRDAI under the Regulations.
f) The Company (The Bank) shall ensure timely renew of license of its Principal Officer and/or Specified Person(s).
g) The Company (The Bank)shall maintain an arms-length relationship in financial matters between its activities as Corporate Agent and other **business activities** (banking activities.)
h) The Company (The Bank) shall put in place systems which allow regular access to such records and details by IRDAI.
i) The Company (The Bank) shall follow the Code of Conduct attached with this Policy and marked as Annexure A.

Recommendations

The Board shall granted authority to the MD of The Company (the Bank) to make necessary amendment in this Policy to ensure effective implementation of the same.

The proposed modification in the Model Policy of Third Party Product has been cleared by CORM on

We seek Board's approval for changes to be incorporated in Model Policy of Third Party Products for implementing the multiple tie-up arrangements and other mandatory changes as per IRDA notification, Appointment of Principal Officer, adoption of multiple tie-up arrangements in individual lines of business, application of registration for new composite license, selection of tie-up partners for Life, Health & General Insurance and starting of new partners business through our branches from FY 2015-2018 & for Subsequent financial years approval to obtain Directors & Officers policy (D & O) and Professional Indemnity policy to cover Directors, Principal Officer, Specified Persons and any other employees engaged in sale and distribution of Third Party products.

This Policy is approved by the Broad of Director on the Board Meeting held on

Signature	Signature	Signature
Signature	Signature	Signature

Annexure A

Code of Conduct

I. General Code of Conduct:

1. Every corporate agent shall follow recognized standards of professional conduct and discharge their duties in the interest of the policyholders.
While doing so -

a) Conduct its dealings with clients with utmost good faith and integrity at all times;
b) Act with care and diligence;
c) Ensure that the client understands his relationship with the corporate agent and on whose behalf the corporate agent is acting;
d) 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;
e) Take appropriate steps to maintain the security of confidential documents in their possession;
f) No director of a company or a partner of a firm or the chief executive or a principal officer or a specified person shall hold similar position with another corporate agent;

2. Every Corporate Agent shall

a) Be responsible for all acts of omission and commission of its principal officer and every specified person;
b) Ensure that the principal officer and all specified persons are properly trained, skilled and knowledgeable in the insurance products they market;
c) Ensure that the principal officer and the specified person do not make to the prospect any misrepresentation on policy benefits and returns available under the policy;
d) Ensure that no prospect is forced to buy an insurance product;
e) Give adequate pre-sales and post-sales advice to the insured in respect of the insurance product;
f) Extend all possible help and cooperation to an insured in completion of all formalities and documentation in the event of a claim;
g) Give due publicity to the fact that the corporate agent does not underwrite the risk or act as an insurer;
h) Enter into agreements with the insurers in which the duties and responsibilities of both are defined.

II. Pre-sale Code of Conduct

3. Every corporate agent or principal officer or a specified person shall also follow the code of conduct specified below:

(i) Every corporate agent/ principal officer/specified person shall,

a. Identify himself and disclose his registration/certificate to the prospect on demand;
b. 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;
c. Disclose the scales of commission in respect of the insurance product offered for sale, if asked by the prospect;

d. Indicate the premium to be charged by the insurer for the insurance product offered for sale;

e. 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;

f. 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;

g. Inform promptly the prospect about the acceptance or rejection of the proposal by the insurer;

h. 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 corporate agent/ principal officer / specified person shall, ----

a) Solicit or procure insurance business without holding a valid registration/ certificate;

b) Induce the prospect to omit any material information in the proposal form;

c) Induce the prospect to submit wrong information in the proposal form or documents submitted to the insurer for acceptance of the proposal;

d) Behave in a discourteous manner with the prospect;

e) Interfere with any proposal introduced by any other specified person or any insurance intermediary;

f) Offer different rates, advantages, terms and conditions other than those offered by the insurer;

g) 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;

h) 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;

i) Indulge in any sort of money laundering activities;

j) Indulge in sourcing of business by themselves or through call centers by way of misleading calls or spurious calls;

k) Undertake multi-level marketing for soliciting and procuring of insurance products; engage untrained and unauthorised persons to bring in business

l) 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.

m) 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, advise, introduce, find or provide contact details of prospective policyholders in furtherance of the distribution of the insurance product;

n) 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

4. Every Corporate Agent shall -

a) 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;

b) 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.

c) 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;

d) Ensure that renewal notices contain a warning about the duty of disclosure including the necessity to advise changes affecting the policy, which have occurred since the policy inception or the last renewal date;

e) Ensure that renewal notices contain a requirement for keeping a record (including copies of letters) of all information supplied to the insurer for the purpose of renewal of the contract;

f) Ensure that the client receives the insurer's renewal invitation well in time before the expiry date.

g) Render necessary assistance to the policyholders or claimants or beneficiaries in complying with the requirements for settlement of claims by the insurer;

h) Explain to its clients their obligation to notify claims promptly and to disclose all material facts and advise subsequent developments as soon as possible;

i) Advise the client to make true, fair and complete disclosure where it believes that the client has not done so. If further disclosure is not forthcoming it shall consider declining to act further for the client;

j) Give prompt advice to the client of any requirements concerning the claim;

k) 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;

l) 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.

m) Shall not demand or receive a share of proceeds from the beneficiary under an insurance contract;

n) Ensure that letters of instruction, policies and renewal documents contain details of complaints handling procedures;

o) Accept complaints either by phone or in writing;

p) 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;

q) Ensure that response letters are sent and inform the complainant of what he may do if he is unhappy with the response;

r) Ensure that complaints are dealt with at a suitably senior level;

s) Have in place a system for recording and monitoring complaints.