

## **Saral Insurance Broking Private Limited**

### **GENERAL TERMS AND CONDITIONS & CODE OF CONDUCT APPLICABLE TO POS (Point of Sales) OF THE COMPANY**

These terms and conditions apply to and regulate the rights and obligations of the Insurance POS (as defined herein below). These terms and conditions shall be in addition to terms prescribed in IRDA Guidelines / Regulations and any other terms as stipulated by Saral Insurance Broking Private Limited.

#### **1. DEFINITIONS:**

Unless the context otherwise requires

- i. "Act" means the Insurance Act, 1938 and includes any amendment thereto or enactment thereunder ;
- ii. "Applicable Law" means one or more provisions of the Act, the insurance Rules, the IRDA Act and the IRDA Regulations including modifications, amendments or re-enactments thereof, and the guidelines, directives ,notifications and orders issued by the IRDA as in force from time to time.
- iii. "Applicant" means a person who has applied to Saral Insurance Broking Private Limited for being appointed as POS.
- iv. "Saral Insurance Broking Private Limited" refers to Saral Insurance Broking Private Limited having its registered office at its Corporate and Registered office at "SARAL", 405, Adarsh Plaza, Near Khasa Kothi Circle, Jaipur – 302001 , Rajasthan
- v. "Insurance POS" means the Applicant who is appointed as an insurance POS of Saral Insurance Broking Private Limited and designated as an Insurance Point of Sales.
- vi. "Authority" or the "IRDA" means the Insurance Regulatory and Development Authority constituted under section 3 of the IRDA Act 1999;

- vii. "Broking Company" or "Company" or "Saral Insurance" means Saral Insurance Broking Pvt. Ltd.;
- viii. "Insurance Product" means any plan of insurance, which is approved by IRDA & shown to sell through POS, offered by Saral Insurance Broking Private Limited.
- ix. "Confidential Information" means, in relation to the Company and \_ its policyholders, information which is not publically known but which relates to the company's \_ policyholders, employees, Insurance POSs, products, operations, trade secrets, copy rights and similar rights etc. "IRDA Act" means the Insurance Regulatory and Development Authority Act, 1999(41 of 1999) including modifications, amendments or reenactments thereof, as in force from time to time.
- x. "IRDA Regulations" means the regulations made by the IRDA in exercise of its powers under the Act and the IRDA Act including modifications, amendments or re-enactments thereof, as in force from time to time.
- xi. "Terms" refer to terms and conditions herein in connection with the appointment of the Insurance POS.

#### **2. CODE OF CONDUCT:**

Every person who is appointed as Insurance POS by the Company shall adhere to the model code of conduct as specified below:-

##### **I. THE INSURANCE POS SHALL,**

- (a) Identify himself/herself and Saral Insurance Broking Private Limited, of whom he is an insurance POS to all the prospects;

- (b) At all times show and disclose POS Certificate or appointment Letter to the prospect on demand;
- (c) disseminate the requisite information in respect of insurance products offered for sale as per IRDA rule and take into account the needs of the prospect while recommending a specific insurance plan;
- (d) disclose the scales of commission in respect of the insurance product offered for sale, if asked by the prospect;
- (e) indicate the premium to be charged by the insurer for the insurance product offered for sale;
- (f) Explain to the prospect the nature of information required in the Proposal Form by Insurer, and also the importance of disclosure of material information in the purchase of an insurance contract and shall never persuade or encourage any prospect not to divulge or disclose any information which is relevant to the Insurer the purpose of underwriting.
- (g) bring to the notice of the insurer every fact about the prospect relevant to insurance underwriting, including any adverse habits or income inconsistency of the prospect, in the form of a report (called "Insurance POS-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 ae proposal, by making all reasonable enquiries about the prospect;
- (h) obtain requisite documents at the time of filing the Proposal Form with the insurer ; and other documents for completion of the proposal;
- (i) inform promptly the prospect about the acceptance or rejection of the proposal by insurer
- (j) 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;
- (k) The Insurance POS may receive Cheques or Demand Drafts in favor of insurer from the policyholders towards payment of premium. However, in such a situation, he will ensure that the cheques received are not back dated and the cheque/ demand draft are deposited with the insurer within 24 hours of receipt of the same excluding bank holidays.
- (l) The Insurance POS is not authorized and shall not be entitled anytime to collect premium from the policyholders in cash and shall be under obligation to disclose the prospect / policyholder that the payment towards premium charges shall be accepted by the insurer by way of crossed cheques or demand drafts only. The Insurance POS further shall inform and encourage the policyholder to write his/her policy number and phone number on the back side of the instrument paying the premium charges.
- (m) Render necessary assistance to the policyholders or claimants or beneficiaries in complying with the requirements for settlement of claims by the insurer ;
- (n) Where the Insurance POS represent more than one insurer offering same line of products, he /she should dispassionately advice the prospect on the products of all insurers whom he/she is representing and the product best suited to the specific needs of the prospect.
- (o) The Insurance POS shall maintain strict confidentiality of the information received from any prospect and / or the insurer in the course of business.
  - (i) The Insurance POS. shall not use the Confidential Information other than for the purposes of business with the insurer / Broking Company; and shall disclose it only to its officers, directors, or employees with a specific need to know. The Insurance POS shall not disclose, publish or otherwise reveal any of the Confidential Information received from the insurer / Broking Company and/or the prospect to any other party whatsoever except with the

specific prior written authorization of the insurer / Broking Company.

The Confidential Information furnished in tangible form shall not be duplicated by the Insurance POS except in the course of business .Upon the request of the insurer / Broking company, the insurance POS shall return all Confidential Information received in written or tangible form, including copies, or reproductions or other media containing such Confidential Information, within ten (10) days of such request. At the Disclosure's option, any documents or other media developed by the POS Insurance containing Confidential Information shall be destroyed by the Insurance POS. The Insurance POS shall provide a written certificate to insurer / Broking Company regarding destruction within ten (10) days thereafter. .

(ii) The Insurance POS shall have no obligation under this with respect to Confidential Information which is or becomes publicly available; is rightfully received by the Insurance POS without obligations of confidentiality; or is developed by the Insurance POS.

## **II. THE INSURANCE POS SHALL NOT,-**

- (a) solicit or procure insurance business without being appetite' to act as such by the Broking Company;
- (b) induce or persuade any 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 insurance POS of Saral insurance Broking Pvt. Ltd.;
- (f) offer different rates, advantages; terms and conditions other than those offered by insurer;
- (g) Demand or receive a share of claim proceeds from the beneficiary under an insurance

contract or offer any rebate which is prohibited under Section.41 of the Act;

- (h) force , persuade or induce a policyholder to terminate any existing policy and to effect a new proposal from him within , three years from the date of such termination of the earlier policy ;
- (i) become or remain a director of any Broking or insurance company;
- (j) Resort to multilevel marketing for soliciting and procuring insurance policies and/or induct any prospect/policyholder to join a multilevel marketing scheme.
- (k) Apply for fresh agency appointment to act as an insurance POS, if his POS appointment was earlier cancelled by the designated official, and a period of three years has elapsed from the date of such cancellation.

## **II. THE INSURANCE POS SHALL:**

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;

## **3. ADVERTISEMENT AND PUBLICITY:**

Every Insurance POS shall, during the conduct of his agency business, adhere to the provisions of the Insurance Regulatory and Development Authority (Insurance Advertisements and Disclosure) Regulations, 2000. ("Advertisement Regulations")

In accordance with the» Advertisement Regulations, the Insurance POS is required to obtain prior approval in writing, of the Broking company for issue of any advertisement. However in the following cases such prior written approval is not required:

- a. Advertisements developed by the Insurer or Broking Company and provided to the Insurance POS
- b. Generic advertisements limited to information like the name, logo, address,

and phone numbers etc. of the Insurance POS

- c. Advertisements may consist only of simple and correct statements describing and availability of lines of Insurance ,references of experience ,service and qualification ;but making no reference to specific benefits costs or the Insurance or Broking company

#### **4. OTHER INSURANCE AGENCIES**

In accordance with the insurance regulatory and development authority (licensing of Insurance POS) Regulations 2000 an insurance POS can act on behalf of only one broker / Intermediary / Insurer, insurance POS shall not become the POS of any other Insurer / Broking company.

#### **5. MINIMUM BUSINESS AND COMMISSIONS:**

The insurance POS shall entitle to receive commission on the premium generated by the insurance POS as per mutually agreed the rates of commission for different levels will be informed to the insurance POS separately from time to time. While ensuring that the existing business continues, the insurance POS is also required to bring in minimum new business for the Broking company which entitles the Insurance POS.

The minimum business to be procured by the insurance POS, it Shall be 6 policies per 6 calendar months or as may be determined and communicated by the broking company in writing from time to time.

#### **6. PAYMENT OF COMPENSATION AND REMUNERATION:**

6.1. Compensation and remuneration for the due performance of obligations in accordance with these Terms shall be paid to the Insurance POS at such rates for different levels as may be notified by Saral Insurance the Insurance POS from time to time, but within the limits as laid down by Authority, subject to deduction of applicable taxes under the law in force from time to time in respect of policies effected through the Insurance POS;

The insurance POS shall provide his income tax PAN number, or if acquired subsequently, immediately after the same has been so acquired to Saral Insurance .In the event of failure to provide PAN number, Saral Insurance will be entitled to block the payments of the Insurance POS.

6.2. Saral Insurance shall be entitled to deduct the service tax (or similar tax, in lieu of or in addition to service tax) including any cess, surcharge or similar tax thereon at the applicable rates from the commissions or any other amounts payable to insurance POS. However in best commercial interests and solely in its discretion Saral Insurance may decide to recover only a part of such taxes.

6.3. Saral Insurance shall be entitled to revise (upwards or downwards) the rates of commission, as in force from time to time, by notice in writing *to the insurance POS*

6.4. Saral Insurance shall be entitled to specify (and revise) differential commission rates for different Insurance products based on various parameters including new business premiums, renewal premiums, business done by the Insurance POS etc.

6.5 In case of any excess or wrong payment of commission or any amount to the Insurance POS or any commission becomes recoverable or receivable from the Insurance POS for any reason whatsoever, Saral Insurance shall be entitled to adjust such amounts (which have been paid in excess or erroneously or have to be received/recovered back for any reason whatsoever) in the subsequent payment(s) to the Insurance POS. Alternatively, or where no amounts are due to the Insurance POS, Saral Insurance will require the Insurance POS to repay or refund forthwith such amounts, and thereafter the Insurance POS shall repay the amount within 15 days after the receipt of any communication from Saral Insurance in this regard.

#### **7. PAYMENT OF COMMISSION IN CASE OF DEATH:**

In the event of death of the Insurance POS, the commission payable to him shall to be payable to his nominees, if any, or to his legal heirs as the commission would have been paid to the POS if he were alive.

## **8. PAYMENT OF COMMISSION IN CASE OF TERMINATION**

Where the agency contract has been terminated for reasons other than fraud, no commission shall be paid to the terminated POS on Renewal Premium.

However in case of fraud has been perpetrated by the POS for sale of Policy the omission shall be recovered by the commission shall be recovered by the broking company as per the procedure as available under the law.

## **9. PROHIBITION OF REBATE:**

Every POS shall observe and adhere to the provisions of Section 41 of the Insurance Act, 1938 reproduced hereunder and also bring the same to the notice of the prospect:

“Section 41

- (1) No person shall allow or offer to allow either directly or indirectly, as an inducement to any person to take out or renew or continue, an insurance in respect of any kind of risk relating lives or property in India, any rebate of the whole or part commission payable or any rebate of the premium shown on the policy nor shall any person taking out or renewing or continuing a policy accept any rebate except such rebate as may be allowed in accordance with the published prospectuses or tables of the Company .
- (2) Any person making default in complying with the provisions of this Section shall be punishable with fine, which may extend to five hundred Rupees.”

## **10. COMPLIANCE WITH ANTI MONEY LAUNDERING NORMS.**

The Insurance POS shall strictly adhere to the Prevention of Money Laundering Act, 2002, Rules framed thereon and the Anti Money Laundering (‘AML’) guidelines as prescribed by IRDA and any modifications thereto and employ adequate Know Your Customer (‘KYC’) standards.

The Insurance POS in accordance with the KYC procedures set by the Company shall ensure the following:

- **Customer Acceptance Procedures;**
- **Customer Identification Procedures;**
- **Monitoring of Transactions; and**
- **Risk Management**

The Insurance POS shall, in the event of finding any adverse change on the standing, integrity or reputation of the customer/policyholder, immediately inform the insurer / Broking company. In the event Insurance POS fails to comply with and/or exposes the Broking company / Insurer to AML risks, the Broking company / insurer shall be entitled to terminate this Agreement and report the matter to IRDA for further action. The Broking / Insurer Company shall on its part impose checks and controls to ensure that these procedures are being adhered to. It shall be obligatory on the part of Insurance POS to implement the issued guidelines.

## **11. NO AUTHORITY TO COLLECT MONEYS:**

The Insurance POS is not authorized to collect any money/premium in cash from the prospects and/ or policyholders under any circumstances and any premium collected otherwise than in cash shall be deposited with the Insurer as stipulated by Section 64 V B of the Act.

## **12. NO AUTHORITY TO ACCEPT RISKS:**

The Insurance POS are not authorized to accept any risk for or on behalf, of the Insurer. The Insurance POS is not required to disclose this to the prospect.

## **13. NO AUTHORITY TO ISSUE RECEIPTS:**

The Insurance POS is not authorized to issue any type of receipt whether on his own behalf or on the Broking company / insurer’s behalf to any person, in respect of monies collected by them. Insurance POS is not authorized to issue any cover note confirming acceptance of risk.

## **14. DISQUALIFICATION OF POS:**

An appointment of Insurance POS may be cancelled or suspended if the Insurance POS; suffers at any time during the currency of the license, from any of the disqualification’s mentioned in sub-section (3) of Section 42 of the Act or/ and for the reason

mentioned in Guidelines on Appointment of Insurance POS and the Broking Company may recover from him the Appointment Letter and the Identity Card issued earlier along with all other documents, literatures, booklets, tables etc. that belong to the Broking / Insurer Company. The disqualifications mentioned in Sub-section (3) of Section 42 of the Act are:

- a. That the person is a minor;
- b. That he is found to be of unsound mind by a Court of competent jurisdiction;
- c. That he is found guilty of criminal misappropriation or criminal breach of trust or cheating or forgery or an abatement of or attempt to commit any such offence by a court of competent jurisdiction;

Provided that where at least five years have elapsed since the completion of the sentence imposed on any person in respect of any such offence, the Authority shall ordinarily declare in respect of such person that his conviction shall cease to operate as a disqualification under this clause.

- d. That in the course of any judicial proceeding relating to any policy of insurance or the winding up of an insurance company or in the course of an investigation of the affairs of the company, it has been found that he has been guilty of or has knowingly participated in or connived at any fraud, dishonesty or misrepresentation against the insurer / Broking company or the insured;
- e. That insurer does not possess the requisite qualification and practical training for a period not exceeding 12 months, as may be specified by the Regulations, made by the Authority in this behalf;
- f. That he has not completed such training or not passed such examination as may be specified by the Regulations made by the Authority in this behalf;

Provided that a person who had been issued a license under Section 41(1) or 64UM (1) of the Act shall not be required to possess the requisite qualification, practical training and

pass such examination as required by clauses (e) and (f);

- g. That he violates the code of conduct as may be specified by the Regulations/Guidelines made by the Authority.

## 15. INDEMNITY

15.1. The Insurance POS hereby agrees that he shall indemnify, defend and hold harmless Saral Insurance from and against any and all liability, any other loss that may occur, arising from or relating to the breach, non-performance or inadequate performance by the Insurance POS of any of his obligations under these Terms or from the acts, errors, representations, misrepresentations, misconduct or negligence of the Insurance POS in the performance of his obligations under these terms.

15.2. Under no circumstances shall Saral Insurance Broking Private Limited be liable to the Insurance POS for any indirect, incidental, consequential, special or exemplary damages in connection with these terms.

15.3. The Insurance POS shall keep Saral Insurance at all times against, and hold harmless from all actions, proceedings, claims, losses, damages costs, interests (both before and after judgement) and expenses which may be brought against or suffered or incurred by Saral Insurance in enforcing Saral Insurance's rights under or in connection with these Terms.

15.4. The Insurance POS shall solely be responsible for ensuring full compliance with Applicable Laws and shall indemnify and keep indemnified Saral Insurance from all actions, proceedings, claims, losses, damages, costs and expenses which may be brought against or suffered or incurred by Saral Insurance in connection with any failure by the Insurance POS in complying with Applicable Laws.

15.5. The indemnities as aforesaid shall continue notwithstanding the termination of the relationship between Saral Insurance and the Insurance POS

## **18. OBLIGATIONS UNDER THE IRDA (PROTECTION OF POLICYHOLDERS' INTERESTS) REGULATIONS, 2002:**

The following are the points to be noted and adhered to by the insurance POS

1 Regulation 3(2) -.An insurer or Broking companies POS shall provide all material information in respect of a proposed cover to the prospect to enable the prospect to decide on the best cover that would be in his or her interest.

2Regulation 3(3) - Where the prospect depends upon the advice of the insurer or his POS or an\_ insurance” intermediary, such a person must advise the prospect dispassionately

3Regulation 3(5) - In the process of sale, the insurer or its POS or any “intermediary shall act according to the code of conduct prescribed by:

- i) the Authority
- ii) Councils that have been established under section 64C of the Act and
- iii) the recognized professional body or association of which the POS or intermediary or insurance intermediary is a member.

4.Regulation 4(6) - Proposals shall be processed by the insurer with speed and efficiency and all decisions thereof shall be communicated by it in writing within a reasonable period not exceeding 15 days from receipt of proposals by the insurer .

In order to assist the Company to adhere to the time limit of 15 days prescribed in this regulation, the insurance POS required to ensure that all communications received by him in writing from the customer is delivered to the Company within 24 hours of receipt.

5. Regulation 11(4) - Any breaches of the obligations cast on an insurer or /an insurance POS or insurance intermediary in terms of these regulations may enable the Authority to initiate action against each or all of them, jointly or severally, under the Act and/or the

Insurance Regulatory and Development Authority Act, 1999.

6. Regulation 8(2): The Insurance POS shall assist the Company and provide all the required information/documents from the claimant in case some \_ additional information/documents are required in the process of admissibility of claim or settlement of the claim.

## **16. VALIDITY OF LICENCE:**

The appointment as the Insurance POS is subject to your continuing to hold a valid Appointment Letter and Identity Card at all times. If the appointment is cancelled/ suspended or Insurance POS wish to surrender his agency, the appointment as Insurance POS “shall stand automatically terminated with effect from the date of cancellation or with effect from the date of Cessation Certificate issued by the Broking Company, as the case may be.

The Insurance POS understands and agrees that once an appointment stand terminated as aforesaid, a renewal or re-issue of license shall not automatically revive agency with the Broking Company and the applicant shall have to submit a fresh application. In such an event re- appointment shall be at the discretion of the Broking Company.

## **17. DIRECTORSHIPS:**

As stipulated by the (Applicable Law, the Insurance POS of the Company are not entitled to become or remain a director of any insurance company / Broking Company.

## **18. MISSELLING AND PENALTY:**

The Insurance POS shall fully understand the requirements of the prospect and then, suggest a suitable product. The Insurance POS” shall not induce any prospect into accepting any product which the prospect did not need, only for the generation of business. In the event of the prospect rejecting the policy for the reason that the product was not what he had required, such sale shall be treated as a miss-sale and the Broking Company reserves the right to recover the cost incurred by the Broking Company on account of such sale From any amount due and payable to the Insurance POS

and also charge back the commission paid to him in respect of such Policy.

#### **19. TERMINATION OF THE AGENCY:**

The Broking Company shall also be entitled at any time to terminate your agency, without thereby being liable for any compensation or damages, if in its sole opinion,

- (a) The performance of the Insurance POS has not been satisfactory; or
- (b) The Insurance POS has acted in breach of the code of conduct or any of the terms and conditions of appointment; or
- (c) Any information — furnished by the Insurance POS in relation to his appointment as such is false; or
- (d) The Insurance POS has acted in a fraudulent manner and continuing him as insurance POS shall be prejudicial to the interest of the company.

#### **20. TERMINATION**

Notwithstanding anything herein before contained either party may terminate the agency by giving a notice of one month to the other party without assigning any reason thereto.

Any notice to be served hereunder shall be sufficiently served on the Broking Company, if served by Registered Post at its said Registered Office or any other address as may be intimated by the Broking Company to the Insurance POS in writing, and shall be deemed to have been sufficiently served on the Insurance POS if sent to him by Registered Post at his address last noted in his records by the Broking Company.

Upon termination of agency the terminated Insurance POS shall forthwith surrender the Identity Card and Appointment Letter as well as all other manuals, tables, rate books, literatures, product guides etc. of the Insurance Broking Company that are in their possession, to the Company. The Insurance POS shall be entitled to receive commission on the business brought in by the Insurance POS prior to termination of the agency.

In the event of the agency being terminated within a period of 24 months from the date of appointment, the Broking Company shall be entitled to claim the entire costs incurred on the Insurance POS for training from any amounts due and payable to him and in the event of there being no such amounts or such amounts being inadequate, to recover the same through legal proceedings as the Broking Company may be advised. The Broking Company reserves the right to determine the extent of costs incurred as aforesaid.

Notwithstanding anything contained in, this agreement any request by the POS for issuing Cessation Certificate for transfer from Saral Insurance to any other Insurer / Intermediary, shall be subject to IRDA guidelines and circulars issued in this regard from time to time.

This appointment shall be / subject to jurisdiction of Courts at Jaipur. To signify his / her acceptance of the terms and conditions as detailed above, the Applicant is required to sign the original of the Terms and Conditions and return the same to the Company.