



बीमा विनियामक और विकास प्राधिकरण
**INSURANCE REGULATORY AND
DEVELOPMENT AUTHORITY**

Ref: IRDA/Life/Cir/MIN/065/04/2013

3rd April, 2013

To
All Insurers,

Sub: Micro Insurance Agents

Reference is invited to Regulation (2) (f) of IRDA (Micro Insurance) Regulations, 2005 where a Micro Insurance Agent is defined as an (i) NGO (ii) SHG and (iii) MFI. Reference is also invited to IRDA Circular No: IRDA/F&A/062/Mar-08 dated 12th March, 2008 where clarification was issued that NGOs that are registered with Non Profit objective under the appropriate law (including companies registered under Section 25 of the Companies Act) to be treated as Micro Insurance Agent.

In order to comprehensively review the Regulations governing the business of Micro Insurance an exposure draft was issued on 26th July, 2012 wherein it was proposed to expand the definition of Micro Insurance Agents. The matter of reviewing and notifying the Micro Insurance Regulations is under active consideration of the Authority.

Pending review and notification of the proposed IRDA (Micro Insurance) (Modification) Regulations, in order to supplement the overall Financial Inclusion activities and also for furtherance of Insurance Penetration, the Authority under the powers vested in Section 14 (2) (e) of IRDA Act, 1999 issues the following instructions.

1. In addition to the Micro Insurance Agents defined in Regulation (2) (f) of IRDA (Micro Insurance) Regulations, 2005; the following entities and individuals are now permitted for appointment as Micro Insurance Agents in accordance to the extant applicable provisions of IRDA (Micro Insurance) Regulations, 2005.
 - a. District Cooperative Banks licensed by Reserve Bank of India subject to being eligible as per extant norms of Reserve Bank of India
 - b. "Regional Rural Bank" established under Section (3) of Regional Rural Banks Act, 1976 subject to being eligible as per extant norms of Reserve Bank of India
 - c. Urban co-operative banks licensed by Reserve Bank of India subject to being eligible as per extant norms of Reserve Bank of India
 - d. Primary Agricultural Cooperative Societies
 - e. Cooperative Societies registered under any of the Cooperative Societies Acts

- f. Companies registered under Companies Act, 1956 that are appointed as Banking Correspondents by Nationalized Banks in accordance to the extant norms of RBI
- g. Individual Owners of Kirana Shop located in Rural Areas
- h. Individual Owners of Public Call Offices located in Rural Areas
- i. Individual Owners of Petrol Bunk located in Rural Areas
- j. Individual Owners of Fair Price Shops located in Rural Areas
- k. Individual Owners of Medical shops located in Rural Areas

2. It is clarified that;

- a. The entities referred from 1 (a) to (f) above who are already licensed for soliciting the insurance business or appointed as Referral Company are not eligible to be appointed as Micro Insurance Agents.
- b. Only those Individuals referred from 1 (g) to (k) above, who are appointed as Business Correspondents in accordance to the extant RBI Guidelines with any of the Scheduled Commercial Banks are eligible for appointment as Micro Insurance Agents.
- c. The individuals referred from 1 (g) to (k) above who are already licensed for soliciting the insurance business or appointed as Specified Persons of Corporate Agents, Micro Insurance Agents or employees of Insurance Brokers are not eligible to be appointed as Micro Insurance Agents.
- d. The onus of proving ownership of individuals referred from 1 (g) to (k) above rests with the Insurers.
- e. The definition of 'rural' for the purpose of the Circular is to be followed as defined in Regulation 2 (c) of IRDA (Obligations of Insurers to Rural and Social Sectors) Regulations, 2002.

3. It is also clarified that;

- a. A specified Person who resigns from a Micro Insurance Agent is eligible for reappointment as a specified person of other Micro Insurance Agent or any other licensed Corporate Agent only after the expiry of 3 months from the date of the resignation.
- b. No Micro Insurance Agent shall employ the specified person working for another Micro Insurance Agent.



- c. No Micro Insurance Agent shall employ the licensed individual insurance agents, specified persons of licensed corporate agents and employees of Insurance Brokers as its specified persons.
4. Every Insurer shall carry out due diligence before appointing a Micro Insurance Agent with regard to the reputation, track record and ability to function in compliance with Insurance Act, 1938, IRDA (Micro Insurance) Regulations, 2005, other applicable regulations notified by IRDA and in the best interests of policy holders.

This circular will come into force with immediate effect. All Insurers are advised to adhere to the clarifications mentioned in the circular.



**(T S VIJAYAN)
CHAIRMAN**