KERALA GRAMIN BANK
HEAD OFFICE: MALAPPURAM

STRATEGIC PLANNING & DEVELOPMENT WING

BANCASSURANCE BUSINESS POLICY – 2025-26

Version 6.0

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Version Approval

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<u>Bancassurance Business Policy</u>

Definitions and Interpretations:

· **"RBI"** means Reserve Bank of India
· **"IRDAI"** means Insurance Regulatory and Development Authority of India
· **"Corporate Agent"** means Kerala Gramin Bank
· **"Bank"** means Kerala Gramin Bank
· **"Authority"** means Insurance Regulatory & Development Authority of India (IRDAI)
· **"Principal Officer"** means an Officer/Manager/Executive so designated and approved by IRDAI, exclusively to supervise the activities of the Bank as a Corporate Agent for Insurance Business and who possess requisite qualifications and practical training and has passed examination as prescribed by IRDAI.
· **"Specified Person"** means an employee possessing IRDAI Certificate by completing the requisite training and examination and is responsible for sourcing and servicing of Insurance Business.
· **"Bancassurance Section"** means Marketing Cell, Strategic Planning & Development Wing, Head Office, KGB Towers, AK Road, Up Hill, Malappuram – 676 505

Introduction:

Reserve Bank of India has permitted Banks to take up Insurance distribution business either as a Corporate Agent or as a Composite Corporate Agent or as a broker (either departmentally or by setting up an exclusive Subsidiary / Joint Venture) as per communication No.RBI/2014-2015/409 DBR.No.FSD.BC.62/24.01.018/2014-15 dated 15.01.2015. The gist of the regulation is as under:

· Banks are permitted to undertake Insurance broking / agency through a subsidiary / JV by stipulating certain eligibility criteria.

· Banks are also permitted to undertake Insurance broking/agency functions departmentally, without risk participation.

· Banks are not eligible to take up Insurance referral business.

· Banks to have a comprehensive Board approved policy regarding undertaking insurance distribution business.

· Banks to ensure Customer suitability and appropriateness adhere to KYC / AML Regulations; maintain transparency while sourcing Insurance Business.

· Banks to have a robust customer grievance redressal mechanism for resolving issues related to Insurance Business.

Bank is distributing Insurance products as an ancillary business with the prime objective of offering all financial products under one roof to meet the requirement of customers.

Bank has opted to do the Insurance distribution business as a Composite Corporate Agent on Commission basis, without risk participation. Insurance business will be done departmentally and not by setting up an exclusive subsidiary / Joint Venture.

Amendment to the Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015, as per Insurance Regulatory and Development Authority Of India Notification dated 5th December 2022.

(a) A Corporate Agent (Life), may have arrangements with a maximum of nine life insurers to solicit, procure and service their insurance products.
(b) A Corporate Agent (General), may have arrangements with a maximum of nine general insurers to solicit, procure and service their insurance products. Further, the Corporate Agent (General) shall solicit, procure and service retail lines of general insurance products and commercial lines of such insurers having a total sum insured not exceeding rupees five crores per risk for all insurances combined.
(c) A Corporate Agent (Health), may have arrangements with a maximum of nine health insurers to solicit, procure and service their insurance products.

In the case of Corporate Agent (Composite), the conditions as specified in clauses (a) to (c) shall apply provided that a Corporate Agent (Composite) may have arrangements with insurers in excess of the ceilings prescribed in (a), (b) and (c), subject to the condition that the total number of arrangements with life, general and health insurers, shall not exceed twenty-seven at any point of time.

As per RBI & IRDAI Regulations, Bank needs to formulate a Board approved policy governing insurance distribution business. All the activities connected to insurance distribution business shall be in conformity with this Board approved policy. The policy, amongst others, shall encompass the approach, the underlying reasons for adopting the approach, details of single / multiple tie-ups, other proposed partners in the tie-up, the type of product sold and grievance redressal mechanism and reporting requirements.

Further, the Bank shall comply with the provisions of the Insurance Act 1938, IRDA Act 1999 and the regulations, Circulars, Regulations and any other instructions issued there under from time to time by IRDAI. Additionally, Bank shall also comply with the regulations issued by RBI vide their communication No. RBI/2014 -2015/409 DBR. No. FSD. BC. 62/24. 01. 018 / 2014-15 dated 15.01.2015 on "Entry of Banks into Insurance business".

In view of the above, this "Bancassurance Business Policy" is being formulated to give directions and guidance for Insurance Distribution business in the Bank in order to ensure uniformity in Insurance Sales and servicing practices across all branches / offices. To enable our staff members to comply with the regulatory requirements relating to this business, this policy shall be uploaded in the 'Letters' Module of the Bank. The policy shall be updated as and when there are changes in regulatory regulations / operational processes. The Principal Officer / Branches / Offices / Specified persons involved in soliciting insurance business shall comply with such updated policy and regulations uploaded on 'Letters' Module and /or as communicated through internal communications regularly.

This policy will be reviewed annually and be placed before the Board of Directors of the Bank for approval.

2. Objectives:

The main objectives of this policy are as under:

- To have a well-defined and transparent policy on soliciting and servicing insurance business under the Open Architecture philosophy in tune with IRDAI & RBI regulations.

- To put in place broad frame work for undertaking Bancassurance business with the objective of promoting right and informed selling of Insurance products across all the Bank branches in conformity with the regulatory regulations of IRDAI, RBI and Bank's internal Policy guidelines

3. The Approach with underlying Philosophy:

Bank has adopted the open architecture approach and tied up with insurance companies, viz., two under Life, three under General and one under standalone health Insurance business. However, Bank shall keep the option open for having multiple tie ups in future depending on business requirements and shall approach the IRDAI for permission/approval of multiple tie ups in tune with the regulations issued by IRDA vide notification dated 20th August 2015. The underlying reasons for adopting this open architecture approach are as under.

- Bank's core and primary business is banking and its branches / marketing force will be focusing on mobilising core banking business.
- Bank is distributing Insurance products as an ancillary business with a prime objective to offer all financial products under one roof and is able to fulfill the Insurance needs of its Customers.
- To ensure the availability of variety of Insurance products to meet the Insurance requirements of our Customers, Bank would be coordinating with the existing Insurers/proposed Insurers for making available a bouquet of products. Insurers may provide the service of their qualified staff for aiding branches in canvassing their products, bank may allow these persons all infrastructure facilities available in the branches excluding systems, security items and strong rooms.

4. Approach to select Insurance partners for Multiple Tie-ups

As and when the Bank decides to opt for multiple tie-ups under any of the channels i.e., Life, Health or General Insurance, Bank shall constitute a committee of three General Managers overseeing SP&D Wing, FM Wing and CREDIT Wing. A General Manager can also specifically nominate the Assistant General Manager or Chief Manager of the concerned wing under the General Manager, instead. The said committee has to carry out due diligence and other related activities for the purpose of recommending a suitable Insurance Company to the Board of Directors for approval and subsequent tie up after duly following extant guidelines as applicable, of Central Vigilance Commission or any other such regulatory / monitoring agencies prescribed by Govt. of India.

The committee shall do due diligence by assessing the performance and capabilities of the Insurance Cos. on the following lines and other relevant aspects as deemed fit:

- Track record of the company during the past 5 years.
- Brand and reputation of the company in the Insurance industry.
- Brand & reputation of the promoters of the Insurance Company.
- Branch Network & geographical reach of the Insurance Company.
- Regulatory actions against the Insurance Company in the past 5 years, if any.
- Financial Strength, Profitability and stability evidenced by Solvency Ratio, Premium income, PAT, Capital & Reserves, prevailing market share etc.
- Product portfolio of the company.
- Number of relationship managers and other resources provided by the Insurance Company to cater to the needs of bank branches
- Claims servicing ability in terms of No. of claims settled, TAT, claim settlement ratio etc.
- Grievance redressal mechanism of the Insurance Company and overall record of number of grievances received / resolved over the past 3 years.
- Training capabilities of the Insurance Company.
- IT capabilities in terms of system integration, providing of day to day MIS – Policy – wise, SP – wise and branch wise. Permission to enter into / sign Distribution Agreements by General Manager overseeing insurance business, with new insurance companies is to be obtained from the Board of Directors.

5 Regulatory Prescription:

5.1 Corporate agency registration with IRDAI

As per IRDAI regulations, Bank has renewed the registration as "Corporate Agent (Composite)" as per notification F. No. IRDAI/Reg/12/102/2015 dated 20.08.2015, with effect from 7th November 2022 and valid till 6th November 2025 under Certificate of Registration No.CA0439. Bank has the necessary infrastructure in terms of offices and manpower across the state of Kerala to carry out insurance distribution business. Bank's Corporate Agency Composite license shall be renewed from time to time as per IRDAI regulations.

5.2 Nomination of "Principal Officer":

The Chief Manager or any other Senior Officer not below Senior Manager – Scale III, of the wing (presently SP&D Wing) overseeing the Insurance Business shall be nominated as the

"Principal Officer" as required under the IRDIA Regulations 2015. The Principal Officer shall undergo the necessary training and certification as per IRDAI regulations.

5.3 Agreements with the Insurers:

The Bank shall enter into agreements with the Insurance Companies approved by the Board of Directors. The agreement shall clearly spell out the roles and responsibilities of Insurance Company and the Bank. This agreement shall be in accordance with the extant IRDAI regulations. The agreement shall also encompass grievance redressal mechanism, the Turn around Time (TAT), the escalation matrix etc. It is to be ensured that no clause is against the interest of the policy holders. The agreement shall comply with the extant IRDAI regulations and RBI regulations in all aspects.

The agreement amongst others shall include a suitable confidentiality clause. The agreement with the Insurance companies will be renewed from time to time based on performance of the company in relation to business growth and service deliverables.
Any change in agreement with the existing Insurers or agreement with additional insurers under multiple tie-ups, shall be informed to IRDAI within 15 days from the date of entering into such agreement.

5.4 Business Mix:

The bank would be distributing all types of Insurance products sold by insurer to cater to the various needs of its customers.

5.5 Disclosures to the IRDAI

5.5.1 Bank shall disclose to the IRDAI at the time of filing application all material facts relevant for consideration of application, on their own. In case of any change in the information provided for consideration of their application, subsequent to the filing of application or during the processing of application, such change shall be disclosed by the Bank for consideration of the IRDAI.
5.5.2 Similarly, Bank which holds a valid registration issued by the IRDAI shall, subsequent to the issuance of registration, disclose, to the IRDAI voluntarily, any change in material facts, based on which a registration was made to them, within a reasonable time but not later than 30 days from the happening of such change. The IRDAI upon receipt of such information, may seek any clarification or issue such directions as it deem fit.
5.5.3 Bank shall disclose to the IRDAI proceedings initiated against them by other regulatory or government bodies within a reasonable time but not later than 30 days from the initiation of such proceedings. Any action or direction issued by such other bodies shall also be disclosed to the IRDAI within the time limits prescribed above.
5.5.4 The IRDAI may require, from time to time, the Bank to furnish such information or return as deemed appropriate.

5.5.5 Bank shall inform to IRDAI on Opening / Closing of Branches, details of penalties levied by any Regulator / Government Authorities and any other information as required from time to time.

5.6 Maintenance of Records:

Bank shall maintain the following records in electronic form and they shall be made available as and when required by the IRDAI –

5.6.1 Know Your Client (KYC) records of the client, as required under the relevant IRDAI's regulations and provisions of PMLA;

5.6.2 Copy of the proposal form duly signed by the client and submitted to the insurer with ACR (Agent confidentiality report) signed by the specified person of Bank;

5.6.3 **Register of client details** : A register containing list of the clients with name, contact number, address, policy number, policy type, premium amount, date of commencement, plan and term, sum assured, renewal details, charges or fees received;

5.6.4 **Register of complaints :** A register containing details like name of the complainant, nature of complaint, date of complaint, policy number, Specified Persons details, action taken details;

5.6.5 **Register of Specified Persons :** A register which shall contain the name of Specified Persons, address, telephone number, photograph, date of commencement of employment, date of leaving the service, if any, monthly remuneration paid to the Specified Person;

5.6.6 Copies of the correspondence exchanged with the IRDAI;

5.6.7 Any other record as may be specified by the IRDAI from time to time.

5.7 Maintenance of books of account, records, etc.

Bank whose principal business is other than insurance intermediation, shall maintain a segment wise reporting capturing income received from insurance intermediation under all segments i.e., Life and General Insurance. Bank shall submit the returns / reports / declarations / certificate in the prescribed format and at specified intervals to IRDAI as per regulations.

5.8 Customer appropriateness and suitability of the Product:

In case of Life Insurance business, for establishing customer appropriateness and suitability of the product, a "Financial Need Assessment Form" is devised which shall be filled in and preserved as a part of the documentation. The product recommendation should be purely based on the needs of the Customers. This form shall be reviewed annually to be in tune with the ever changing needs of the Customers.

The Customer appropriateness and suitability of the product should be arrived at only after understanding the Customer profile in total i.e Age, Income details, Dependents, Life Goals, Assets & Liabilities, Planned Retirement Age, Risk Appetite etc.

5.9 Insurance Solicitation Process & Servicing:

Insurance is the subject matter of solicitation and no customer shall be insisted / forced to buy Insurance from the Bank. The Insurance products are to be sold to the Customers purely on voluntary basis:
All employees dealing with insurance agency business should possess the requisite qualification prescribed by IRDAI.

5.9.1 Only Licensed Bank employees (Specified Persons) are permitted to source Insurance business. However, other employees of the Bank can source the insurance business if the IRDAI regulations permit and can also refer the prospects to the qualified specified person for sale of Insurance products provided such a reference shall not be rewarded on the basis of the success of the sale.

5.9.2 Bank has a system of assessment of the suitability of products for customers. Pure risk term products with no investment or growth components that are simple and easy for the customer to understand will be deemed universally suitable products. More complex products with investment components will require the bank to necessarily undertake a customer need assessment prior to sale. It is ensured that a standardized system / format of assessing the needs of the customer are in place and that initiation/transactional and approval processes are segregated. For this purpose, a "Financial Need Assessment Form" (for Life Insurance only) has been designed and the same shall be made use for establishing suitability of the product to customers.

5.9.3 Obtaining of Aadhar and PAN /Form 60 will be guided by the directions of GOI /IRDAI from time to time. Banks should treat its customers fairly, honestly and transparently, with regard to suitability and appropriateness of the insurance product sold.

5.9.4 The products training for the qualified employees shall be provided by the respective Insurance Company and they shall also organize refresher product training from time to time.

5.9.5 Adherence to KYC/AML/CFT Regulations - The instructions / regulations on KYC/AML/CFT applicable to banks, issued by Regulators from time to time, shall be adhered to, in respect of customers (both existing and walk-in) to whom the services of insurance agency are being provided.

5.9.6 Bank or its employees shall not prepare their own Insurance sales materials. Insurance materials provided by the Insurance Company should only be used while soliciting Insurance business.

5.9.7 The employees involved in soliciting insurance business, shall not compel a customer to subscribe to any Insurance product as a quid-pro-quo for any product / service availed from the Bank.

5.9.8 Inform the customer about all charges, fees, features pertaining to the Insurance products that are being offered.

5.9.9 Bank shall also facilitate after sales service including claim settlement for all Insurance policies sourced.

5.9.10 Further, Branches have to provide an acknowledgement for every service request received.

5.9.11 Wherever Bank has multiple tie-ups for any line of Insurance business, the details such as the list of Insurers with whom the Bank has tie up arrangements, scope of coverage, term of policy, premium payable and any other information which the customer seeks on all the products available with the Bank shall be disclosed. Further, the scale of commission in respect of the insurance product offered shall be disclosed if asked by the customer.

5.9.12 It is the policy of the Bank not to undertake Insurance business through Tele-marketing.

5.10 Regulations for sourcing and servicing of Insurance business

5.10.1 For sourcing Insurance business, Bank works on3 the Bancassurance model and as such these products have to be mandatorily sold only to the Customers having accounts with our Bank.

5.10.2 Collection of Insurance Premium should be by way of cheque / purchase of Demand Draft by debiting to party's account or by direct debit from party's account and credit to Company's account.

5.10.3 Collection of Cash towards Insurance Premium is strictly prohibited.

5.10.4 Collections of blank cheques from the customer or multiple instruments (DD, Cheque etc) towards premium payments are strictly prohibited.

5.10.5 Not to give wrong information to fulfil KYC and AML requirements /create KYC/ AML documents.

5.10.6 Not to adopt unethical means while soliciting Business from Borrowers of Bank (Both existing & Prospective) which will result in customer complaints.

5.10.7 In case of Unit Linked Insurance Plans, customer needs to be informed about market risk. The investments can go up or down as per market movements.

5.10.8 Inform the customer that Life Insurance is a long term commitment product requiring regular payment of future premiums .It is also to be highlighted that Unit Linked Insurance Products have a minimum lock-in period of 5 years.

5.10.9 To ensure the genuineness and correctness of the KYC documents, it is mandated that all the KYC documents obtained along with the Life Insurance application from the Customers, are verified with the originals and attested by the Officers or Branch Head of the sourcing Branch.

5.10.10 All matters relating to policy servicing requests by the policy holders received at the Branches are to be date and time stamped. Such service requests received from the customers are to be sent to the respective Insurance Company by fastest mode.

5.10.11 Employees representing the Bank shall not indulge in commission-driven malpractices such as:

(i) Recommending inappropriate products solely for earning higher Commission /incentives.

(ii) Churning of Insurance Policies to earn commission / incentives by advising the Customers to stop paying premiums for the existing policies and encouraging them to buy new policies

5.11 Miscellaneous:

The instructions / regulations issued by Regulators from time to time on KYC / AML / CFT as applicable to Banks shall be adhered to in respect of customers (both existing and walk-in).
It shall be the policy of the Bank that the Bank will canvass insurance products only through specified persons who satisfy the qualifications laid down in the regulations.
This policy shall be subjected to annual review. The policy shall be reviewed by the overseeing wing, presently Strategic Planning & Development Wing.
As Bank's revenue from Insurance business is not more than 50% of its total revenue, Bank is not mandated to take out and maintain any "Professional Indemnity Insurance Policy".
Bank as a corporate agent for Insurance distribution business is liable for IRDAI inspection from time to time. Bank shall extend full co-operation to the IRDAI inspecting officers to facilitate smooth completion of the Inspection. Further, Bank shall take suitable action on the inspection observations / report of IRDAI and shall submit a compliance report to IRDAI on the same within the specified date.

6. Customer Grievance Redressal Mechanism

6.1 Introduction:

Bank has undertaken Insurance distribution business without risk participation as a Corporate Agent

In the matter of customer service and complaint Redressal, Bank as a corporate agent soliciting insurance business from our own customers, has dual roles and responsibilities as under:

- Bank has the primary responsibility to provide prompt Customer service and facilitate speedy complaint redressal, as Bank solicits Insurance business only from its Customers under Bancassurance model and not from general public.

- Bank as a Corporate Agent of Insurance Company. (Life, Health and General), also has the responsibility to assist the Insurance Companies by providing the required information pertaining to each and every complaint referred by the Company and facilitate for resolving complaints within the stipulated timeframe.

In the above context, to safeguard the interest of our Customers and Bank shall ensure that the tied up Insurance Company has a robust Customer Service & Complaint redressal mechanism. The distribution / service level agreements between the Bank and the tied up Insurance Company shall address the "Turn Around Time"(TAT) and escalation matrix for customer servicing and complaint redressal. The agreements shall have provisions to include duties and responsibilities of corporate agents (Bank) towards the policy holders, duties and responsibilities of Insurers, terms and conditions for termination of agreement. It shall be the policy of the Bank to follow the standards set out in the distribution / service level agreements.

6.2 Customer Complaints handling:

All Insurance Companies in partnership are providing their Toll free numbers, email Ids & addresses in the policy document educating the customers to directly contact the Insurer for any service related issues or complaints.
However, the policy holders may also approach any of our branches for submitting their complaints and the same has to be handled like a compliant regarding any banking product / service.
Bank has in place a "Public Grievances Redressal System" (PGRS) which can be accessed through the Bank website, www.keralagbank.com. Through the PGRS, customers can register their complaints online, and the same are forwarded to the respective branches or offices for action or resolved within stipulated time.

Following is the detailed Escalation Matrix specifying the levels of redressal, timelines, and responsible officers. The complaints received at our end are attended to by the designated officer and, if required, escalated to higher authorities for resolution. All complaints are attempted to be resolved within 14 days of receipt by coordinating with the respective associate or insurer.

Additionally, provisions for receiving complaints through the Bima Bharosa Portal of IRDAI and the Insurance Ombudsman have been included on our website and mobile application. The same escalation matrix is applicable for these complaints as well.

Escalation Matrix for Customer Complaints.

Level	Designation / Officer	Mode of Contact	Timeline for Resolution	Action / Responsibility
Level 1	Branch Manager / Designated Nodal Officer at Branch	Written complaint / In-person / Email / PGRS portal	Within 3 days of receipt	Acknowledge and attempt to resolve the complaint at the branch level; update PGRS with action taken.

Level 2	**Regional Office – Regional Manager / Nodal Officer**	**Email / PGRS escalation / Written escalation**	**Within 4 additional days (total 7 days from receipt)**	**Review unresolved complaints from branches; coordinate with concerned insurer / associate for resolution.**
Level 3	**Head Office – Principal Nodal Officer / General Manager (Customer Service)**	**Email to HO / PGRS escalation / Written appeal**	**Within an additional 7 days (if not resolved within a week at Level 2)**	**Conduct detailed review and ensure resolution by coordinating with partner insurer or relevant department.**
Level 4	**External Redressal – IRDAI Bima Bharosa Portal / Insurance Ombudsman**	**Through IRDAI portal or Ombudsman Office**	**As per IRDAI / Ombudsman guidelines**	**Customers may approach IRDAI Bima Bharosa or the Insurance Ombudsman if not satisfied with the Bank's resolution.**

7. Roles and Responsibilities:

7.1 Principal Officer:

- The Primary role of the PO to supervise insurance operations of the Bank as a Corporate Agent.
- PO has to monitor all work related to insurance, interact / correspond with IRDAI and partner insurance companies on regular basis.
- Ensuring proper monitoring and fulfilment of regulatory changes/ additions/ requirements and subsequently aligning.
- Identifying the opportunities for business growth/service delivery enhancement and working toward its implementation through IT integrations, process refinement etc.
- Review and track Business performance analysis.
- Working on new initiatives related to insurance i.e., improving persistency levels, new processes, improving after sales services and other strategic initiatives in insurance business.
- One point contact for all Insurance Product related apprehension. Shall facilitate resolution of complaints within the specified timelines.
- Act as an authority for the corporate agent for certificate related activities.
- Abide by the Code of Conduct prescribed by IRDAI.

7.2 BRANCHES & SPECIFIED PERSONS:

7.2.1 Branches and Specified persons shall solicit business ethically and sell Insurance purely based on "Customer Financial Needs".

7.2.2 They shall strictly adhere to the "Code of Conduct" as specified by the regulators and adopt best practices while soliciting Insurance business. The "Code of Conduct" shall be shared with each and every Specified Person and Branch.

7.2.3 Provide after sales services to all the policy holders including assistance for smooth claim settlements.

7.2.4 It shall be the responsibility of the Specified Person to duly renew his / her IRDAI certificate 30 days before expiry by completing the necessary training.

7.3 REGIONAL OFFICE/ CONTROLLING OFFICE:

7.3.1 Shall act as the Nodal office for Insurance business for all branches coming under the Regional Office.

7.3.2 Shall finalise the targets for branches based on past performance, potential and population category.

7.3.3 Shall closely monitor the performance of the Branches under Insurance business.

7.3.4 Shall maintain the list and records of IRDAI licensed persons in the Regional Office and update this list every month (in respect of exit from the Bank).

7.3.5 Shall facilitate for timely renewal of licenses of Specified Persons.

7.3.6 Shall monitor and ensure that the Insurance business is sourced and serviced as per this policy regulations and the same is reviewed during the Regional Office monthly steering committee meetings.

7.4 STRATEGIC PLANNING & DEVELOPMENT WING, HEAD OFFCE:

7.4.1 Shall act as the Nodal Section for all Insurance related matters.

7.4.2 Shall be responsible for updating the "Bancassurance Corporate Agency Policy" of the Bank, annually.

7.4.3 Shall ensure that the necessary Distribution / Corporate Agency / Service Level agreements are entered into with the respective Insurance Company and conduct the Insurance business in accordance with these agreements and in compliance with the IRDA / RBI Regulations on Corporate Agency.

7.4.4 Shall finalize the Annual Operating Plan with the respective Company.

7.4.5 Shall allocate targets to the Regional Office based on the category of Branches, Number of Branches, Potential and Performance of the Regional Office during the previous years.

7.4.6 Shall closely monitor the performance of the Regional Office under Insurance business. Send performance review letters to all Regional Offices at regular intervals.

7.4.7 Shall maintain MIS for each vertical of Insurance Business. Storing and maintenance of records as prescribed by regulators.

7.4.8 Receive commission from the Insurance Company on a monthly basis and credit the commission to the respective branches.

7.4.9 Shall maintain the list and records of IRDAI Certified Specified Persons in the Bank and update this list every month (in respect of exit from the Bank).

7.4.10 Shall facilitate for timely renewal of Bank's Corporate Agency Certificate and also the Certificates of the Principal Officer & Specified Persons.

7.4.11 Shall facilitate for conduct of audit of the Bank (as a Corporate Agent) by IRDAI, as per IRDA regulations.

7.4.12 Shall place the annual audit report submitted by IRDAI to the Board of Directors of the Bank for information.

7.4.13 Shall be responsible for incorporating and communicating any changes in regulations related to Insurance business.

7.4.14 Shall coordinate with the respective Insurance Company for IT integration to facilitate seamless sourcing and servicing of Insurance business.

8. Reporting Requirements & Structure:

As per IRDAI regulations, Bank has to submit at Half yearly intervals the following reports:

- Insurance Business segment-wise (Life, Health and General) premium mobilized and revenue generated as per the prescribed format.
- Declaration by the CFO & Chief Executive Officer on the income received from Insurance business.
- Declaration by the CFO & Principal Officer on Forced selling.
- Any other information / report as prescribed by regulators from time to time.

The reporting shall be done as per the prescribed structure.

9. Risk Mitigation:

Even though Bank undertakes Insurance distribution business without any risk participation, Bank is exposed to Reputational Risk to a certain extent. To mitigate this following steps are in place:

a. Ensuring Tie-up only with reputed Company with good track record and brand image in Insurance Industry.

b. Insurance business is solicited in the Bank only through IRDAI licensed specified persons.

c. Provide refresher training from time to time to Specified persons.

d. Bring transparency in divulging to the Customer the complete details of products on offer and features, terms and conditions of policies and also charges associated with the Insurance products, if asked for.

e. Ensure that the partner Insurance Companies has a robust Grievance Redressal mechanism with complaint escalation matrix and TATs for compliant resolutions and the same is clearly mentioned in the distribution agreement between the Bank and the respective Insurance Company.

f. Facilitate speedy settlement of Insurance Claims.

10. Strategies for meeting the Objectives:

a. To promote right selling across all branches, the Insurance solicitation shall be done only through IRDAI licensed Specified persons and based on "Financial Need Assessment".

b. To increase the number of SPs in the Bank, an incentive is paid to those staff members who score 50% or above in the IRDAI Specified Persons (Composite) Examination.

c. These Specified Persons shall be provided with refresher training from time to time in co-ordination with the Insurance Company to update them on the product changes / new products / changes in regulations.

d. Bring out exclusive "Value For Money" products in co-ordination with the partner Insurance Company.

11. Strategic Planning & Development Wing, Head Office shall be the Nodal Wing to Review & Monitor the implementation of this Policy

12. Apart from reviewing & monitoring the performance also monitors the Sales quality, Customer Complaints, Claims settlement, product analysis, persistency and chalk out the future course of action.

13. Operational Regulations:

A separate detailed framework is prepared to put in place the standard operating procedures for soliciting Insurance business.

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