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**Insurance Regulatory and Development Authority of India (Bima Vahak)
Guidelines, 2023**

In exercise of the powers conferred by Section 14 (2) (e) of the Insurance Regulatory and Development Authority Act, 1999, the Authority, hereby issues the following Guidelines:

1. Short Title and Commencement

- a) These Guidelines are known as 'Insurance Regulatory and Development Authority of India (Bima Vahak) Guidelines, 2023'
- b) These shall come into force from the date of launch of Bima Vistaar*
(* Bima Vistaar is a comprehensive Insurance product which will be issued in due course)

2. Objectives

- a) To establish women centric dedicated distribution channel that is focused on enhancing insurance inclusion and creating awareness in every village / Gram Panchayat, thereby, improving accessibility and availability of insurance in every nook and corner of the country.
- b) To identify and develop resources locally who understand and appreciate local needs and enjoy the trust and confidence of the local population of their village / Gram Panchayat.

3. **Definitions:** In these Guidelines, unless the context requires otherwise,

a) Bima Vahak means

- i. an individual (hereinafter referred to as Individual Bima Vahak) or
- ii. a legal person (hereinafter referred as Corporate Bima Vahak) registered in accordance with the respective laws of India

engaged for providing the services under these Guidelines

4. **Engagement/Appointment of Bima Vahak:**

a) Insurers may for the purpose of solicitation of insurance business and to facilitate policy and claims servicing:

- i) engage the services of a Corporate Bima Vahak and/or
- ii) directly appoint Individual Bima Vahaks.

b) The insurer shall be responsible for all the actions and the conduct of Bima Vahaks engaged by them.

c) The Corporate Bima Vahaks shall:

- i) appoint individuals as Bima Vahaks, as per the terms and conditions of the agreement with the Insurer and shall be responsible for all their actions and the conduct
- ii) solicit insurance product(s), facilitate policy and claims servicing only through its appointed Bima Vahaks.

d) A Bima Vahak shall:

- i) sell and service Bima Vistaar and such other insurance products specified by the Authority
- ii) sell and service only using handheld electronic communication devices that are directly integrated to the electronic platform of the insurers;
- iii) not be allowed to collect any fees or charges from the policyholder or prospective policyholder, other than the insurance premium;

e) The Life Insurance Council and General Insurance Council shall be jointly responsible for establishing a common set of operational and conduct standards applicable to Bima Vahaks. Such common standards shall include qualifying minimum educational standards, scales of commissions, training requirements (including customer due diligence/ KYC process, Personal Data Protection, policy handling and claims service support), standard terms of appointment (including due diligence requirements, issuance of identification cards), maintenance of

database including confidentiality of the data of all policies solicited through Bima Vahaks and other operational and compliance aspects . The councils may jointly review the said standards periodically.

- f) Every Insurer shall have a Board approved policy in respect of matters related to Bima Vahaks in accordance with the standards set jointly by the council under 4(e).
- g) Every insurer shall endeavor to engage Individual Bima Vahaks and / or Corporate Bima Vahaks with the focus to progressively achieve coverage of every Gram Panchayat. Bima Vahaks shall be deployed in each Gram Panchayat before 31st December 2024. Lead Insurers of each State / Union Territory (as in Annexure) shall coordinate deployment of resources to ensure maximum coverage of Gram Panchayats as per the following structure:

S.No	Insurer	Gram Panchayats to be covered within the State / Union Territory*
1	Lead Life Insurer (s)	40%
2	Lead Non-Life Insurer (s)	40%
3	Lead Health Insurer (s)	5%
4	All other Insurers together	minimum 15%

*Thereafter, depending on the requirements and demand, Insurers are free to engage and deploy as many Bima Vahaks as may be required.

5. Scope of activities of Bima Vahak

- a) The scope of activities that may be assigned to the Bima Vahaks may include:
- i) Filling of proposal forms, KYC requirements through hand held electronic communication devices and issuance of insurance policies.
 - ii) Coordination and support in policy and claims related servicing, as applicable.
 - iii) Support in claims settlements.

6. KYC Compliance

Every Insurer shall remain responsible for ensuring KYC and AML compliance with respect to the policies sourced through Bima Vahaks.

7. Collection of premium

- a) Handheld device shall enable the prospects / policyholders to make premium payment through electronic mode to enable direct remittance of premiums to the designated bank account.
- b) On receipt of premium, electronic message acknowledgement shall be issued immediately in either the local or regional language or Hindi or English, directly to the registered mobile number and / or registered email-id of the prospects or policyholders as per the choice of the prospect / policyholder.

8. Internal controls and Infrastructure

Every insurer shall put in place appropriate systems processes, internal controls and infrastructure to enable seamless interface with all Bima Vahaks for providing necessary support services for their scope of activities.

9. Termination of the Bima Vahaks

- a) In the event of the termination of an Individual Bima Vahak all the insurance policies serviced by the Bima Vahak shall be allotted, to another Bima Vahak preferably within the same territory.
- b) Every Insurer shall make necessary arrangements to ensure uninterrupted service to the policyholders, including in situations where the termination is of a Corporate Bima Vahak.

10. Consumer Protection Measures

- a) Insurers and the Corporate Bima Vahaks shall:
 - i) issue physical identification cards to the Individual Bima Vahaks. The physical identification card may be supplemented by online 'electronic ID's'. Every identification shall bear an 'expiry date' and shall be revalidated by a freshly issued identification.
 - ii) lay down suitable monitoring framework to ensure that solicitation and sales are of only products as allowed by the Authority.
- b) Every Corporate Bima Vahak at each of its retail outlets shall display:
 - i) the name(s) of the Bima Vahak(s), name of the appointing insurer and telephone number(s) of the Branch or other controlling office of the insurer.

- ii) a signage indicating the services offered by the Bima Vahak(s).
- iii) prominently the contact details of designated Grievance Redressal Officer of the insurer.
- iv) prominently the name and contact details of the Complaints Handling Officer designated to specifically address complaints against Bima Vahaks.
- v) the contact details of the Insurance Ombudsman.

11. Complaints Handling Officer

Every insurer shall identify a nearest local office to every Gram Panchayat and designate a Complaints Handling Officer in such office, to specifically attend to the complaints, if any, against Bima Vahak(s). The Insurer shall establish the necessary complaints handling process to ensure speedy resolution.

12. Miscellaneous

- a) In order to remove any difficulties in respect of the application or interpretation of any of the provisions of these Guidelines, the Chairperson of the Authority may issue appropriate clarifications from time to time.
- b) These Guidelines are being issued to enable insurers to make necessary arrangements for onboarding and training of Bima Vahaks. The effective date of the guidelines will be notified separately.

ED (Life)