



**Guidelines on Point of Sales Person – Life Insurance**

Ref: IRDA/LIFE/ORD/GLD/223/11/2016

November 7, 2016

**Background:**

The Authority having considered the feedback received from Life Insurers/Life Council in response to the Exposure Draft dated January 12, 2016 on 'Point of Sales Person – Life Insurance', has decided to extend the concept and scope of Guidelines on "Point of Sales Person – Non-life & Health Insurers" issued vide Ref No. IRDA/Int/GDL/ORD/183/10/2015 dated 26.10.2015 to Life Insurers too for simple plain vanilla type of products (referred to as POS – Life Products) if each and every benefit of such product is –

- Simple to understand
- Stated upfront clearly
- Fixed / pre-defined

Keeping the above in view and in order to give added fillip in providing easy access to life insurance to people at large and to enhance insurance penetration and density, the Authority, issues the following Guidelines on 'Point of Sales Person in Life Insurance' by exercising the powers vested with the Authority under Sections 14 (1), 14 (2) (c) and 14 (2) (e) of IRDA Act -1999.

**I. Scope and Applicability of these Guidelines**

- a. These Guidelines shall apply to "Point of Sales Persons" and those engaging "Point of Sales Persons".

**II. Definition**

- a. "Act" means the Insurance Act, 1938.
- b. "Authority" means Insurance Regulatory and Development Authority of India established under Section 3 of the IRDA Act, 1999.
- c. "NIELIT" means National Institute of Electronics and Information Technology which is an autonomous Scientific Society of Department of Electronics and Information Technology, Government of India and is designated as the Training and Examining Body for the "Point of Sales Persons".
- d. "Point of Sales Person – Life Insurance" (herein after referred to as POSP – LI) means an individual who possesses the minimum qualifications, has undergone training and passed the examination as specified in these Guidelines and solicits and markets only such products as specified by the Authority.

### **III. Point of Sales Person- Life Insurance (POSP- LI)**

1. Every "Point of Sales Person" shall be identified either by his Aadhaar Card Number or by his PAN Card.
2. The POSP-LI shall be at least 18 years age completed and shall have educational qualification of 10<sup>th</sup> standard pass.
3. POSP-LI shall be sponsored to NIELIT, by the life insurance company or the insurance intermediary with whom she/he shall work, for undergoing online training specified for "Point of Sales Person".
4. The fees for the online training and examination of a candidate shall not exceed Rs five hundred which will be remitted to NIELIT either by the insurance company or the insurance intermediary who is sponsoring the candidate.
5. The training module as approved by the Authority will be hosted on NIELIT website.
6. Candidates sponsored shall appear in the online examination conducted by NIELIT who shall be the examining body.
7. On successful passing the examination, he will be issued a letter by NIELIT certifying him to be a "Point of Sales Person".
8. Point of Sales Person- Life Insurance is authorized to solicit and market only Point of sales – Life insurance products.

### **IV. Appointment of Point of Sales Person**

1. An Insurer or an insurance intermediary authorized to solicit and market life insurance business can engage a "Point of Sales Person".
2. A "Point of Sales Person- Life Insurance " engaged by an insurance intermediary can sell the POS – Life Products of all such Insurers whose life insurance products the respective intermediary is authorized to sell.

### **V. Products solicited and marketed by "Point of Sales Person"**

1. The "Point of Sales Person" can sell Life Insurance Products filed with and approved by the Authority as POS-Life Products, which may be
  - a. Pure Term Insurance product with or without return of premium
  - b. Non-linked (Non-Participating) Endowment product
  - c. Immediate Annuity Product
  - d. Any other product / product category, if permitted by the Authority.

Detailed Guidelines with regard to Point of Sale – Life Insurance Products are issued separately.

2. Every policy sold through the "POSP-LI" shall be separately identified and pre-fixed by the name " POS – (name of product) ".





## **VI. Tagging of Proposal Form and Insurance Policy to Point of Sales Person**

1. Every proposal form, in paper or in paperless form, insurance policy and other related documents shall carry provision to record the Aadhaar card number or the PAN card number in order to tag the policy to the "Point of Sales Person" who is selling the said policy.
2. The life insurer shall be responsible to record the Aadhaar card number or the PAN card number of the "Point of Sales Person" in the proposal form and insurance policy. The life insurer shall be responsible for the conduct of the "Point of Sales Person" representing him and any misconduct on the part of the said Point of Sales Person shall make the life insurer liable to penalty as per provisions of Section 102 of the Act.
3. For sales effected through the insurance intermediary, the insurance intermediary shall record the Aadhaar card number or the PAN card number of the "Point of Sales Person" in the proposal form and similarly the insurer also would require to do the same in the insurance policy. The insurance intermediary shall be responsible for the conduct of the "Point of Sales Person" engaged by it and any misconduct on part of the Point of Sales Person shall make it liable to a penalty as per provisions of Section 102 of the Act.
4. One of the factors that shall be considered while renewing the certificate of registration of the insurance intermediary shall be the conduct of the "Point of Sales Persons" working with insurance intermediary.

## **VII. Compliance**

1. The Life Insurers and Insurance Intermediaries shall make suitable provision in their policy administration system to capture the Aadhaar Card number or the PAN card number details of the "Point of Sales Person – Life Insurance".
2. The "Point of Sales Person- LI" when engaged by the insurer shall place business with that insurer subject to compliance of rules and procedures of that insurer.
3. The Authority shall specify the format and the manner of maintaining the records and filing returns which the insurer and the insurance intermediary shall maintain in electronic form which can be accessed by the Authority on a remote location basis. The formats shall give the number of policies sold and the premium collected by the "Point of Sales Person" on a monthly basis.

## **VIII. Power to clarify**

In case of any doubt or ambiguity with regard to any of the provisions of the guidelines, the same shall be clarified by the Chairperson of the Authority whose decision shall be final and binding on all the concerned.



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