

IRDA mandates 3 year contract with agents

When insurance agents, individual or corporate, move from one company to another it causes difficulties to policyholders, at times forcing them to lose the benefits of their policies. So Insurance Regulatory and Development Authority (IRDA) has laid down some rules for insurance companies to issue No Objection Certificates (NOCs) to agents who are changing their principals, that is, the insurance companies.

Some of the rules are:

- All companies should have a three year contract with agents and corporate agents

but can cancel it in case of non-performance or fraud.

- Insurance companies should make all arrangements to service customers whose agents/ corporate agents are changing their loyalties.

■ The policy and contact details of policyholders should be verified by the companies and confirmed by the outgoing agents.

- Officials should be identified for servicing policies earlier serviced by the agents.

■ Policyholders should also be given in writing the details of the officials whom they can contact for service of their policies.

- The initial terms of the agreement remain intact.

■ Insurance companies whose agents have left should maintain a separate phone helpline for six months from the date of NOC.

Finally, insurance companies should not release the renewal commission of agents who leave before completion of five years. ■

IRDA system to e-track insurance status of vehicles

Insurance Regulatory and Development Authority (IRDA) is designing and developing the Vehicle Insurance Status SMS System (VISSS) to provide an additional facility to the police to verify insurance status of vehicles.

Circulating the details of the project in its website, it had asked for comments on the system from the stakeholders.

As per provisions of the Motor Vehicle Act, all 'hit and run' death cases are paid from a 'Solatium fund'. To this extent insurance companies are already paying for some of the losses caused by uninsured vehicles.

The time lag between the issuance of policy to the insured and data received by IRDA on an average is one year. Around five crore motor policies are issued every year by the 17 General insurance companies operating on different systems having around 5,000 operating offices.

VISSS will collect up-to-date information from all these offices to one central place and disseminate information to all

stakeholders instantly.

Benefits

Uninsured vehicles will come under the insurance net, which will increase the total premium receipts of insurance companies and reduce the claims ratio.

Proposed System

The web based data collection system will use available technology to expedite collection of data from the insurance companies.

The query and reply by SMS system would avoid manual errors and enable instant responses.

The system will have two parts:

Part 1: Collection of data from insurance companies

- A web portal will be created at the data centre. **All the underwriting offices will directly** login to the portal and upload the vehicle details in XML format into the common database on a daily basis.

- A small utility tool will be created

which will check the data format and logical errors before the data is accepted by the portal. Error free data only will be accepted.

- Once the data is accepted into the system, a confirmation will be sent by mail.

• Submission of data by each underwriting office will be monitored on daily basis and report will be generated.

Part 2: Replying to the query sent by any stakeholder.

• Anybody who wants to know the insurance status of any vehicle plying in India has to SMS the registration number of the vehicle to a telephone number connected with the portal. The vehicle registration number will be searched in the system and insurance status of the vehicle with period of cover will be sent through SMS.

- In case of new vehicles, instead of registration number, engine number or chassis number of the vehicle needs to be sent. ■

IRDA calls for Ombudsman Post Vacancies

Insurance Regulatory and Development Authority (IRDA) had called for applications from retired or about to retire Indian Administrative Service (IAS) or Indian Revenue Service (IRS) personnel for

being appointed as Ombudsman in Delhi, Chandigarh and Kolkata. In a circular dated September 9, 2009, it said the candidates should not be above 62 years as 1.9.2009 and should have held the post of Additional

Secretary to the Government of India or an equivalent post in any of the State Governments. The last date for sending applications was September 20, 2009. ■