



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

Circular No.013/IRDA/ATI/CIR/Oct 2008

6<sup>th</sup> October, 2008.

**CIRCULAR**

To  
All Insurers,  
Agents Training Institutions,  
Life Insurance Council,  
General Insurance Council.

Dear All,

**Accreditation and Renewal of Accreditation of Agents Training Institutions.**

1. In terms of powers vested with me, I am issuing this circular with regard to the above subject.
2. This circular applies only to off-line agents training institutions (that is who impart practical training by Faculty to the candidates in person in a class room), with effect from the date of this circular.
3. I am not happy with the bureaucracy in regard to the above, as I am seeing a number of complaints (and also RTI Act cases where affected parties challenge the decisions of the Authority), phone calls, messages, recommendations from VIPs. As such I decided to inform all the Agents Training Institutions(ATIs), that I hereby extend the period of accreditation to all these institutions for a period of six months, for those where the date of renewal of accreditation falls/fell due on or before 31<sup>st</sup> December, 2008 (for instance, if the due date of renewal of accreditation is on 8.9.2008 for an ATI, the ATI can continue its activities till 7.3.2009, without any interference from the IRDA), so that the ATIs can continue their activities in regard to imparting practical training to the candidates desirous of becoming insurance agents who would be required to render useful insurance advices to the buyers of insurance products of insurers registered with the IRDA. Of course, this is subject to certain conditions mentioned in para 4 below, as we observe that there are a number of complaints from the policyholders and members of public that they are not given proper advice to select a right product to meet their insurance needs. (Insurance needs exist for a person who wishes to insure against unforeseen contingencies such as death, old age, sickness, health problems, damages to properties, as the contingencies result in financial loss to the insured; and as such we have keep in mind the interests of the policyholders); and these complaints arise due to lack of proper practical training to prospective agents and also licensed agents. As such we see that ATIs are responsible for

producing good products (insurance agents) in the insurance market; and their activity could not be ignored by the IRDA in the interests of the public and the insured.

4. We will be coming with a circular shortly (in a month's time, hopefully), which would facilitate the functioning of ATIs in the interests of all; and the procedure would be mostly web based so that there would be lot of transparency to all the stakeholders, giving details of procedure of accreditation and renewal of accreditation of ATIs, so that the system could be more trust worthy and efficient, saving the paper work of IRDA (which is committed to the interests of the insured, and also development of insurance market). For this purpose, all ATIs must have full fledged website, so that they can have public interface too with the public (here public includes all policyholders, who are affected because of ill-trained insurance agents) and the interface would give opportunity to the ATIs to change their style of imparting training to the prospective agents. Besides ATIs would be asked to provide details of complaint statistics in their website so that all the activities of the ATIs would be transparent to all. In the mean while, all ATIs are requested to furnish the soft copies (scanned copies or soft copies) [in electronic form as per terms of IT Act] of their documents furnished to the IRDA at the time first accreditation, and also at the time of renewal of accreditation to the designated persons in this circular, along with correspondence from IRDA, giving the file name to indicate the name of ATI. The designated persons would be glad to assist in the matter of name of the file that is required to be sent to IRDA. All this documentation should be finished before 31<sup>st</sup> October, 2008 from all the ATIs.
5. All insurers are requested to maintain a designated area in their website exclusively for ATIs and ATI related complaints. In that, they should have public interface in the website, where complaints would be registered against insurance agents or ATIs. The complaints against agents could be that (a) agent has not rendered proper advice in the selection of an insurance product; (b) agent has not done any service after sales (from proposal stage to issue of policy document, and also after issue of policy document in regard to payment of premiums, etc.); and against ATIs (c) ATI has indulged in bad practices which caused their candidates (who were earlier trained by them) who became insurance agents of no use to the policy-holders; and (d) any other matter which could be against ATI. In this regard, insurer should also mention the name of ATI (till insurers incorporate the same in the identity card, a certificate from the insurer should be given to the agent, so that the agent can disclose at the time of sale of insurance products to the customers) in the identity card issued. Insurer should assess the complaints and take appropriate action whether or not to sponsor candidates for a particular ATI in future and also take steps to inform the IRDA. Insurer should also publish in their website about the statistics of complaints every month. (Complaints against Agents: Number at the start of the month, number received during the month, number disposed off during the month, and number at the end of the month. Similarly against ATIs. And also analysis of complaints against agents according to the ATI, each month at the end of the month: Name of ATI, No. of

agents who were trained earlier; No. of agents who were facing complaints from the policyholders). Insurer should also disclose the exact details of complaints in their website (through menu driven program in their website). Insurer should also take steps to send <dummy> candidates to ATIs to measure the quality of practical training in their own interest, and such results could be made public in their website. Insurers should complete the whole process by 31<sup>st</sup> October, 2008; and inform the undersigned by e-mail: [edadm@irda.gov.in](mailto:edadm@irda.gov.in) the progress made in this regard.

6. Resource person in the IRDA is Mr Suresh Mathur, and his e-mail id is: [suresh@irda.gov.in](mailto:suresh@irda.gov.in)

*K. S. Manjanna*  
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EXECUTIVE DIRECTOR (ADMINISTRATION)

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