Policy for Payment of Commission or Remuneration or Reward to Insurance Agents and Insurance Intermediaries

The requirements laid out by IRDAI to be covered in the Board approved policy for compensation to Insurance Agents and Intermediaries are set out in the table below including the policy recommendation of the Company.

Subject to matters specifically referred to in this policy, **general authority to define the quantum of commission and remuneration or reward to be paid to an Individual Agent or Intermediary for managing business activities is delegated to the Chief Distribution Officer, Chief Financial Officer and the Chief Risk Officer**. For the avoidance of doubt, the Board directs that the said Officers to whom authority is delegated are required to comply with all statutory instruments relevant to the management of Insurance Agents and Intermediaries including guidance from the IRDAI.

The Chief Distribution Officer, the Chief Financial Officer and the Chief Risk Officer, will be jointly responsible for supervision at Board level for the effective implementation of this policy and the associated administrative procedures. In addition, the Board notes that matters covered by this policy constitute an auditable area.

IRDA Requirements	Company's Policy (Principles and Operating Guidelines)
1. Manner and Conditions regarding Payment of Commission or Remuneration or Reward	**Objective:** Commission / Remuneration structure which is fair to Agents and Intermediaries and reward for Business performance, Quality of Business, Quality of Services to Policy Holders and Longevity of association with the organization **Frequency:** The cycle of payment of Commission or Remuneration or Reward as applicable shall be as decided jointly by the **Chief Distribution Officer, Chief Financial Officer, and the Chief Risk Officer** as per the need of the specific channels
1.1 Commission to Insurance Agents	**First Year and Renewal Year Commission** • Maximum-First Year and Renewal Year commission upto the limits defined under individual Product File-n-Use. • However the **Chief Distribution Officer, Chief Financial Officer and the Chief Risk Officer** may jointly decide to pay differential First year & renewal year commission (within maximum limits as per Product File-n-Use) to Agents based on some predefined criteria which may include Business performance, Quality of Business, Quality of Services to Policy Holders, Longevity of association with the organization etc , and adherence to the code of conduct of the business which will encourage compensation for insurance penetration to be aligned with customers' needs & encouraging cost effective distribution, based on nature and tenure of Policy. • The criteria may change from time-to-time basis business requirement subject to approval of the **Chief Distribution Officer, Chief Financial Officer and the Chief Risk Officer** jointly**,** to whom authority has been delegated under this Policy

1.2 Remuneration to Insurance Intermediaries	**Intermediaries (Other than IMFs)**
	• **First Year and Renewal Year Commission**: Maximum First Year and Renewal Year remuneration upto the limits defined under individual Product File-n-Use.
	• However the **Chief Distribution Officer, Chief Financial Officer and the Chief Risk Officer** may jointly decide to pay differential commission (within maximum limits as per Product File-n-Use) based on some predefined criteria which may include Business performance, Quality of Business, Quality of Services to Policy Holders and adherence to the code of conduct of the business.
	
	Insurance Marketing Firms (IMFs)
	• **First Year and Renewal Year Commission***:* Maximum First Year and Renewal Year remuneration upto the limits defined under individual Product File-n-Use
	• However the **Chief Distribution Officer, Chief Financial Officer and the Chief Risk Officer** may jointly decide to pay differential commission (within maximum limits as per Product File-n-Use)) to IMFs based on some predefined criteria which may include Business performance, Quality of Business, Quality of Services to Policy Holders and adherence to the code of conduct of the business.
	• The criteria may change from time-to-time basis business requirement subject to approval of the **Chief Distribution Officer, Chief Financial Officer and the Chief Risk Officer** jointly.
	• In addition to the First year and Renewal remuneration the following additional payments as permitted under the IRDA Registration of Insurance Marketing Firms Regulations, 2015 (Schedule IV Part 1 (2) & (3) shall be made:
	  • Service charges @ 50%of the First-Year remuneration and 10% of Renewal remuneration towards Recruitment, Training and mentoring of Insurance Salespersons (ISPs)
	  • Fees for undertaking insurance services

1.3 Reward over and above commission to Insurance Agents,	• Maximum Reward on New Business and Renewal Business upto the EOM limits computed as per IRDAI regulation. • Reward criteria may be added basis business requirement subject to approval of the **Chief Distribution Officer, Chief Financial Officer, and the Chief Risk Officer** jointly.
1.4 Reward over and above remuneration to Insurance Intermediaries	**Reward to Corporate Agents, Brokers & IMFs:** Maximum reward on New Business and Renewal Business up to the EOM limits computed as per IRDAI regulation. Reward criteria may be added basis business requirement subject to approval of the **Chief Distribution Officer, Chief Financial Officer, and the Chief Risk Officer** jointly.
1.5 Renewal Commission (ERC Status), if any, to Insurance Agents after Suspension or Termination of Agency	• The company shall not pay any renewal commission to agents who are **suspended** or terminated after 31st Mar'17. • However, the company may continue to pay renewal commission to agents who were terminated on or prior to 31st Mar'17 basis criteria defined jointly by the **Chief Distribution Officer, Chief Financial Officer, and the Chief Risk Officer**
1.6 Hereditary commission to the heirs of an Insurance Agent in the event of death of the Insurance Agent	• In the event of death of an agent, renewal commission will continue to be payable to the legal heirs of the deceased agent provided such commission would have been payable to the agent, had such agent been alive.

2. Orphan Policies **2.1 Manner and Conditions regarding transfer of orphan policies**	• The manner and conditions regarding transfer of orphan policies will be as per the existing operating policy formulated by the Management or as amended from time to time within the overall approved business plan of the Company
3. Ground and Manner of Termination, Suspension or Cancellation of appointment of Insurance Agents and Insurance intermediaries	Objective: Retaining quality and performing Agents and Intermediaries who makes positive contribution to the company, meet their agreed minimum performance standards, and adhere to the code of conduct of the business. • The **minimum Business Guarantee Norms** to be achieved by the Insurance Agents, criteria for termination of Agency for failure to achieve the minimum business guarantee and the criteria for reappointment or reinstatement of Agency on termination shall be as per Board approved Appointment of Insurance Agent Policy. • The termination of insurance intermediary contract/arrangement will also be decided by the **Chief Distribution Officer and the Chief Risk Officer** on a case-to-case basis based on the business requirements as deemed fit.