



hpsc
(Scheduled Bank)

हिमाचल प्रदेश राज्य सहकारी बैंक सीमित
H.P. State Co-operative Bank Ltd.

POLICY ON PROCUREMENT OF INSURANCE BUSINESS

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POLICY ON PROCUREMENT OF INSURANCE BUSINESS	
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1. INTRODUCTION:

With the objective to strengthen the non-fund business income the Bank has entered into Corporate Agency Tie Ups with Life, Non-Life and Health Insurance Companies to help with the insurance penetration in the rural customer base of the Bank which will provide financial support and reduce uncertainties that individuals and businesses face at every step of their lifecycles. This will help provide an ideal risk mitigation mechanism against events that can potentially cause financial distress to individuals and businesses and it also provides support to the families during medical emergencies.

Insurance Regulatory and Development Authority of India (IRDAI) has its guidelines governing Corporate Agency Model of Insurance distribution in India through notification dated 20th August, 2015 (Circular No. IRDAI/Reg/12/102/2015) named IRDAI (Registration of Corporate Agents) Regulations, 2002 ("2002 Guidelines") dated 16th October, 2002 and has come in force from 1st April, 2016. Under the new guidelines, every Corporate Agent needs to apply for a new license to IRDAI, along with a Board-approved policy governing insurance distribution business of the corporate agent. In line with the requirements, a detailed policy is placed in the ensuing paragraph.

Section 6 (1) of Banking Regulation Act 1949 permits Banks to undertake insurance business and IRDAI in its guidelines - IRDAI (Licensing of Corporate Agents) Regulation 2002 permitted Banks to obtain license to solicit Insurance business as "Corporate Agents"

- **Insurance Business**

The Reserve Bank of India on reviewing the extant instructions on conduct of insurance business by banks advised vide circular DRB. No. FSD. BC. 62/24.01.018/2014-15 dated January 15, 2015 that banks may undertake insurance business as per the Board Approved Policy and such policy should be in line with the guidelines as stated in the said Circular and vide circular No. Rbi/279/2004-05 RPCD.CO.NB.BC.No. 59/03.03.116/2004-05 dated November 18, 2004 of RBI, scheduled or licensed SCBs/DCCBs has been permitted to undertake Insurance Business as corporate agent without risk participation.

- **Compliance with IRDAI guidelines**

The IRDAI guidelines (Licensing of Corporate Agents) Regulation 2002 and the Code of Conduct prescribed by IRDAI, as amended from time to time, as applicable, will be complied at all the times by the Bank.

2. BUSINESS MODEL

With an intention to cater the needs of the public with regard to Insurance and to provide wide choice of plans to the people of India, IRDAI in its Regulation under "**Open Architecture**" set up – IRDAI [Registration of Corporate Agents]

Regulations, 2015, permitted Corporate Agents to tie up with a maximum of nine insurance partners in each insurance segment i.e. Life, Non-Life & Health.

Considering the potential benefits to the Bank customers, overall business strategy and business opportunity, it is recommended that the Bank should adopt an **Open Architecture** model for distributing insurance products (Life, Non-Life & Health) by tying-up with multiple insurance companies, which is in line with the regulatory requirement.

The Insurance Regulator expects that every Corporate Agent shall conduct business under Life Insurance, General Insurance and Health Insurance in a transparent, customer centric, need based ethical solutions. The objective of the open architecture is to ensure that all Corporate Agents should solicit, procure and service insurance business to the general public in a timely and effective manner.

Considering the scope of business and the opportunities available in the market, the Bank will have the tie up with:

1. Maximum of **Nine Life Insurers**
2. Maximum of **Nine Non Life Insurers**
3. Maximum of **Nine stand alone Health Insurers**

However, Corporate Agent shall solicit, procure and service retail lines of General Insurance products and commercial lines of such insurers having a total sum insured not exceeding ₹ 5.00 Crore per risk for all insurances combined.

The partners will be evaluated on various criteria as under:

Criteria	Parameters to be considered
Market Dynamics	<ul style="list-style-type: none"> • Market Size & Industry Growth Rates • Market Share of existing players • Competitor performance in Bancassurance
Product Strength	<ul style="list-style-type: none"> • Product portfolio; with specific focus on product suitability to the customers of the Bank • Product pricing • Product awareness and Product related training provided by the Insurance Company to the Bank staff.
Service Strength	<ul style="list-style-type: none"> • Claim Settlement rates • Grievance redressal establishment • Payment of Maturity • Claim settlement process (internal/external) • Customer service experience • Manpower support for business • Retention ratios & process • Unique customer Propositions • Marketing support

Partner company strength	<ul style="list-style-type: none"> • Balance sheet/Profitability • Growth rates • Existing Market Share • Brand Strength • Promoter and Management Team • Network capabilities with specific focus on presence in our core geography • Manpower support to Branches of the Bank • Existing Bancassurance tie-ups
<p>The above criteria would be reviewed from time to time basis market dynamics and partner performance with regard to servicing and product suitability. The customers' interest will be paramount whenever the Bank makes arrangement with Insurance Companies.</p>	

3. IMPLEMENTATION

Registration with IRDAI

- The bank shall apply for registration as Corporate Agent (Composite) to IRDAI in accordance with the procedure specified by IRDAI in the new guidelines.
- The registration would be valid for 3 years from the date of issue.

Appointment of Principal Officer and Specified Persons (SP)

- The Bank shall appoint a Principal Officer required as per new guidelines
- The Bank shall appoint adequate SPs and no insurance product shall not be sold by a resource who is not a certified SP by IRDAI. The SPs shall apply for registration through the Principal Officer in the prescribed format as per the new guidelines.
- Bank's Principal Officer and Specified persons shall, at all times, follow the code of conduct specified in the new guidelines.
- Business Development Department (BDD) at Head Office shall take care for planning & strategizing the Insurance business. At Branch level, Specified Persons shall be responsible to implement these plans to ensure need based selling of Insurance plans to the customers of the Bank Branches.
- The Principal Officer will be posted at Head Offices who will help these SPs to implement the strategies effectively and meaning fully.

4. ARRANGEMENT WITH INSURANCE COMPANIES

The Bank shall undertake appropriate due diligence prior to executing any agreement with Insurance Companies.

- The agreements of the Bank with the Insurance Companies shall *inter alia* include the duties and responsibilities of the Bank towards policyholders, the duties and responsibilities of Insurance Companies and the Bank, and the terms and conditions for termination of the respective contractual arrangements.
- While entering into agreements with Insurance Companies the Bank shall ensure that all such arrangements are on an arm's length basis and are complied with the provisions of applicable law.
- The Bank shall ensure that no agreements to which the Bank is a party contain terms which are against the interest of policyholders.
- At the time of entering into agreements with the Insurance Companies the Bank shall not receive any signing fee or any other charges by whatever name called, except those permitted by the Authority.
- The Bank strictly prohibits its Principal Officer, Specified Persons and all employees from receiving any incentives (cash or non-cash) from any of the Insurance Companies with whom the Bank has entered into Corporate Agency arrangements.

5. NATURE OF BUSINESS

- The Bank is hereby authorized to sell all the insurance products offered by the Insurance Companies with whom the Bank has entered into contractual arrangements.
- The Bank shall not offer any information relating to any insurance products which the Bank is not authorized to solicit and procure.
- Product suitability, premium paying capacity and the financial needs of the proposed insured shall be taken into consideration while soliciting the insurance business by the Specified Persons.
- The Bank will continue to provide suitable and customer friendly Health Insurance policies for the benefit of the customers and strive to find better and cheaper insurance propositions in future. Bank will also market Insurance products under Group Insurance and Micro Insurance categories for the benefit of the customers wherever found necessary to cover maximum lives under insurance.
- In cases where the insurance product is sold as an ancillary product along with a principal business product, the Bank shall not in any manner compel the prospective customer of the principal business product to necessarily buy the insurance product through the Bank or provide any advantages/benefits to the customer which are contingent on purchase of the insurance product/principal business product.
- The Bank shall undertake all measures to ensure that there is no forced selling of any insurance product to any prospective customer and that an insurance

product is recommended after taking into account the needs of the prospective customer.

- The Bank in coordination with tie up partners shall formulate value added customized products or bundled product suitable for diverse customer profile of the Bank. Endeavour will be to have life insurance products based on the life cycle need such as Family Protection, Child Education, Wealth Creation and Retirement Solutions.
- The Bank can also explore tie ups for suitable and customer centric Group Insurance Products from our channel partners or other Insurers as per existing IRDAI guidelines.

6. PROFESSIONAL INDEMNITY BOND

- As per the Regulations, every corporate agent, where the revenues from their insurance intermediation activities is more than 50 % of their total revenue from all the activities, shall take out and maintain at all times a professional indemnity insurance cover throughout the validity of the period of the registration granted to it by the Authority. Bank shall adhere to the same as and when the need arises.

7. TRAINING & PROMOTIONAL ACTIVITIES

- As motivation plays an important role in driving a business, the Bank shall actively participate in schemes and motivational programme/training and recognition programme etc. in accordance with the guidelines of the IRDAI/RBI.
- Bank will organize training programme for imparting knowledge and skill to the employees / Specified Persons engaged in insurance business from time to time. Modules on insurance will be made a regular part in relevant training programmes of the Bank.
- District Offices of the Bank will update on insurance business to all the Branch Managers during the periodic Branch Manger's meetings. They will percolate knowledge on insurance business/ products to the field staff.
- Insurance market development, co-branding of the products and services, business promotion/product training and/or awareness activities etc. as and when undertaken in association with the concerned Insurance Companies, all the extant guidelines of the Authority shall be followed by adhering to the best industry practices as being done at present.

8. REPORTING REQUIREMENTS

- The Bank shall undertake all necessary measures to comply with the reporting requirements applicable to a licensed corporate agent including the requirements

specified in the Regulations.

- The Principal Officer shall be responsible for ensuring that the Bank complies with all the reporting and disclosure requirements specified in the Regulations and the guidelines prescribed by the Authority from time to time.
- Corporate Agents whose primary business is not insurance are to maintain segment wise reporting, which shall capture revenues received for insurance business and other income from insurers.
- Corporate Agent to maintain records of policies sold (policy-wise and specified persons-wise), KYC, proposal Form, List of Customers and SPs, Complaint register and Correspondence with IRDAI.
- Principal Officer & CEO to file with IRDAI a certification confirming there is no forced selling to any customer, on half yearly basis.
- Agents to disclose to IRDAI any proceedings initiated against it by other regulatory or government bodies not later than 30 days.

9. INTERNAL CONTROLS

- The Bank's Inspection & Audit department shall review the overall adherence to this Policy.
- All the Regulations and guidelines issued by the concerned Authority from time to time are adhered to.

10. PROVISION TO APPEAL AGAINST IRDAI AND INSURERS

- Bank may make use of the **"Open Architecture"** guidelines of IRDAI which has a provision, enabling the Corporate Agents to appeal against the decisions of IRDAI/Insurers with regard to registration cancellation or suspension of its license.

11. DISPUTE RESOLUTION AND ARBITRATION

- All disputes, differences, claims and demands arising under the Agreement with Insurance Companies shall be referred to Arbitration under Section 72, 73 of the HP State Cooperative Societies Act, 1968 (Act No.3 of 1969) to Registrar Cooperative Societies HP for decision and his decision shall be final and binding on the parties to the Agreement.
- The Company and Corporate Agent shall make every effort to resolve any disagreement or dispute arising between them by direct negotiation.

12. OPERATIONAL GUIDELINES

In line with Insurance Regulatory and Development Authority of India (IRDAI) guidelines governing Corporate Agency Model of Insurance distribution in India, detailed instructions are placed hereunder:

Sr. No.	Theme	Operational Guidelines
i.	CORPORATE AGENCY REGISTRATION NUMBER	The Bank holds a Composite Corporate Agency Registration no. CA0335 which is subject to renewal every 3 years as per Regulations.
ii.	MAXIMUM TIE UP COMPANIES ALLOWED	<ol style="list-style-type: none"> 1. Life Insurance - Maximum Nine Companies 2. General Insurance - Maximum Nine Companies 3. Helath Insurance - Manximum Nine Companies
iii.	VALIDITY OF TIE-UPS	Tie ups with Insurance companies will be signed for 3 year and this agreement may be renewed with mutual consent of both the parties for further period of 3 years on the same or mutually agreed terms and conditions, by way of executing agreement.
iv.	CUSTOMER DISCLOSURE	The Bank as a Corporate Agent is liable to disclose to the customers the names of all tie-up companies, scope of coverage, policy term, premium payable, premium terms & scale of commission (if asked by the customer).
v.	CODE OF CONDUCT AS A CORPORATE AGENT	<p>There is a certain code of conduct given under Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015 the Bank has to follow as a Corporate Agent:</p> <p>I. GENERAL CODE OF CONDUCT:</p> <ol style="list-style-type: none"> 1. The Bank as a corporate agent shall follow recognized standards of professional conduct and discharge their duties in the interest of the policyholders. <p>While doing so –</p> <ol style="list-style-type: none"> a. conduct its dealings with clients with utmost good faith and integrity at all times; b. act with care and diligence;

		<p>c. ensure that the clients understand their relationship with the corporate agent and on whose behalf the corporate agent is acting;</p> <p>d. treat all information supplied by the prospective clients as completely confidential to themselves and to the insurer(s) to which the business is being offered;</p> <p>e. take appropriate steps to maintain the security of confidential documents in their possession;</p> <p>f. no director of a company or a partner of a firm or the chief executive or a principal officer or a specified person shall hold similar position with another corporate agent.</p> <p>2. The Bank as a Corporate Agent shall</p> <p>a. be responsible for all acts of omission and commission of its principal officer and every specified person;</p> <p>b. ensure that the principal officer and all specified persons are properly trained, skilled and knowledgeable in the insurance products they market;</p> <p>c. ensure that the principal officer and the specified persons do not make to the prospect any misrepresentation on policy benefits and returns available under the policy;</p> <p>d. ensure that no prospect is forced to buy an insurance product;</p> <p>e. give adequate pre-sales and post-sales advice to the insured in respect of the insurance product;</p> <p>f. extend all possible help and cooperation to an insured in completion of all formalities and documentation in the event of a claim;</p> <p>g. give due publicity to the fact that the corporate agent does not underwrite the risk or act as an insurer;</p> <p>II. PRE-SALE CODE OF CONDUCT</p> <p>3. The Bank as a Corporate Agent or Principal Officer or a Specified Person shall also follow the code of conduct specified below:</p> <p>i. Every corporate agent/ principal officer/specified person shall –</p> <p>a. identify themselves and the insurance</p>
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		<p>company of whom they are a representative of</p> <ul style="list-style-type: none"> b. disclose their registration/certificate to the prospect on demand c. disseminate the requisite information in respect of insurance products offered for sale by the insurers with whom they have arrangement and take into account the needs of the prospect while recommending a specific insurance plan; d. disclose the scales of commission in respect of the insurance product offered for sale, if asked by the prospect; e. indicate the premium to be charged by the insurer for the insurance product offered for sale; f. explain to the prospect the nature of information required in the proposal form by the insurer, and also the importance of disclosure of material information in the purchase of an insurance contract; g. bring to the notice of the insurer any adverse habits or income inconsistency of the prospect, in the form of a Confidential Report along with every proposal submitted to the insurer, and any material fact that may adversely affect the underwriting decision of the insurer as regards acceptance of the proposal, by making all reasonable enquiries about the prospect; h. inform promptly the prospect about the acceptance or rejection of the proposal by the insurer; i. obtain the requisite documents at the time of filing the proposal form with the insurer; and other documents subsequently asked for by the insurer for completion of the proposal. <ul style="list-style-type: none"> ii. No corporate agent/ principal officer / specified person shall – <ul style="list-style-type: none"> a. solicit or procure insurance business without holding a valid registration/certificate; b. induce the prospect to omit any material information in the proposal form;
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		<ul style="list-style-type: none"> c. induce the prospect to submit wrong information in the proposal form or documents submitted to the insurer for acceptance of the proposal; d. behave in a discourteous manner with the prospect; e. interfere with any proposal introduced by any other specified person or any insurance intermediary; f. offer different rates, advantages, terms and conditions other than those offered by the insurer; g. demand or receive a share of proceeds from the beneficiary under an insurance contract; h. force a policyholder to terminate the existing policy and to effect a new proposal from him within three years from the date of such termination; i. No corporate agent shall have a portfolio of insurance business from one person or one organization or one group of organizations under which the premium is in excess of fifty percent of total premium procured in any year; j. become or remain a director of any insurance company, except with the prior approval of the Authority; k. Pay or allow the payment of any fee, commission, incentive by any other name whatsoever for the purpose of sale, introduction, lead generation, referring or finding to any person or entity. <p>III. POST-SALE CODE OF CONDUCT</p> <ul style="list-style-type: none"> 4. Every Corporate Agent shall – <ul style="list-style-type: none"> a. advise every individual policyholder to effect nomination or assignment or change of address or exercise of options, as the case may be, and offer necessary assistance in this behalf, wherever necessary; b. with a view to conserve the insurance business already procured through them, make every attempt to ensure remittance of the premiums by the policyholders within the stipulated time, by giving notice to the
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		<p>policyholder orally and in writing.</p> <ul style="list-style-type: none"> c. ensure that its client is aware of the expiry date of the insurance even if it chooses not to offer further cover to the client; d. render necessary assistance to the policyholders or claimants or beneficiaries in complying with the requirements for settlement of claims by the insurer; e. explain to its clients their obligation to notify claims promptly and to disclose all material facts and advise subsequent developments as soon as possible; f. advise the client to make true, fair and complete disclosure where it believes that the client has not done so; g. give prompt advice to the client of any requirements concerning the claim; h. forward any information received from the client regarding a claim or an incident that may give rise to a claim without delay, and in any event within three working days; i. advise the client without delay of the insurer's decision or otherwise of a claim; and give all reasonable assistance to the client in pursuing his claim. j. shall not demand or receive a share of proceeds from the beneficiary under an insurance contract; k. ensure that letters of instruction, policies and renewal documents contain details of complaints handling procedures; l. accept complaints either by phone or in writing; m. acknowledge a complaint within fourteen days from the receipt of correspondence, advise the member of staff who will be dealing with the complaint and the timetable for dealing with it; n. ensure that response letters are sent and inform the complainant of what he may do if he is unhappy with the response; o. ensure that complaints are dealt with at a suitably senior level; p. have in place a system for recording and monitoring complaints.
<p>vi.</p>	<p>ROLES</p>	<p>a. Responsibilities of Management as a</p>

	<p style="text-align: center;">& RESPONSIBILITIES</p>	<p style="text-align: center;">representative of the Corporate Agent</p> <ul style="list-style-type: none"> • Ensure Compliance with the code of conduct prescribed under the regulations. • Disclosure of all material facts to the IRDAI as required under the Regulations. • Ensure that there is no conflict of interest between <ul style="list-style-type: none"> ➢ Various entities within the group ➢ Activities with insurer as a Corporate Agent, as promoter and as a banker ➢ Maintain arm’s length relationship in regard to financial transactions between its activities as Corporate Agent and Principle Banking Business. <p>b. Responsibilities of Principal Officer</p> <ul style="list-style-type: none"> • Complete practical training and examination as required under the regulation. • Submission of application to IRDAI for renewal of License to act as a Corporate Agent, in accordance with the Regulations. • Supervise the Corporate Agency activities of the Bank. • Ensure that the Specified Persons are trained and certified in accordance with the Regulations. • Ensure compliance with the code of conduct prescribed under the Regulations. • Ensure correct and timely submission of periodic returns to IRDAI in the prescribed format. • Submission of application to IRDAI for issuance/renewal of certificate to act as a Specified Person, in accordance with the Regulations • Ensure prospects / customers are not compelled to buy insurance products being offered along with main banking products. • Define adequate steps for redressal of grievances. • Maintenance of records as prescribed under the Regulations. • Coordinate with IRDAI and Insurance Companies in day to day matters. • Any other such duties or obligations as may be prescribed by IRDAI from time to time.
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		<p>c. Responsibilities of Specified Persons</p> <ul style="list-style-type: none"> • Complete practical training and examination as required under the Regulations • Ensure compliance with the code of conduct prescribed under the Regulations • To verify and sign on all new Policy applications of his/her allotted Branch after necessary due diligence and maintaining proper records of the policies solicited. • Not to compel prospect / customer to buy an insurance product being offered along with banking products. • To provide due support and guidance to policyholders at the time of procuring/solicitation of policies and in policy servicing, claims and grievance related matters. • Ensure adequate and timely support to the Management/Principal Officer in order to fulfill the obligation under regulations. • Renewal of certificate before the completion of three years from date of certificate issued. • Maintenance of records as prescribed under the Regulations. • Any other such duties or obligations as may be prescribed by IRDAI from time to time.
vii.	SOLICITATION	<ul style="list-style-type: none"> • Insurance shall be solicited only by the employees holding a valid certificate issued by IRDAI to act as a Specified Person under the Regulations. • The Bank's Specified Persons will solicit the policies of the branches/extension counters that are allotted to them. • The prospect customer will not be compelled to buy an insurance product being offered along with banking products. • All requisite information along with scale of commission and premium to be charged by insurer, in respect of the insurance product being offered, shall be disseminated to the prospect/customer. • Prospect / customer shall not be induced to omit or submit any wrong information in the

		<p>proposal forms.</p> <ul style="list-style-type: none"> • In case the customer agrees to avail the insurance policy from the partnered Insurance Companies, the Branches are advised that <i>while insuring the assets, rates from all three non-life insurance companies are solicited and the lowest rates are offered to the customers keeping in mind the best interest of our customers.</i> • Keeping the present conditions in mind kindly take the rates through email without forcing the company representatives to visit the branch where ever possible. A proper record of the quotations received from the companies shall be maintained in the concerned loan file for the inspection/audit by DMs/Internal Auditors. In case the companies do not respond/fail to respond, the same may be reported to BDD. • As a Corporate Agent the Bank represents the interests of the customers. In other words, as a Corporate Agent, Bank will have to keep the interest of the customer paramount and sell policies that suit their needs. Therefore, insurance products will be offered on the basis of need analysis and financial assessment of the customers.
<p>viii.</p>	<p>ADHERENCE TO KYC/AML/CFT GUIDELINES</p>	<ul style="list-style-type: none"> • The Bank will adhere to RBI Master Circular on Know Your Customer (KYC) norms/Anti Money Laundering (AML) standards/Combating of Financial Terrorism (CFT) obligation of banks under PMLA, 2002 and any modifications of the same from time to time. • The Bank will maintain all transaction details and records of the customer with regard to sale of insurance products and related records for a period and in the manner prescribed in the Master Circular. • The requirement of quoting PAN for transactions of Rs. 50,000/- and above would be applicable to sale of insurance products by Bank as per RBI guidelines.

<p>ix.</p>	<p>PRODUCT SUITABILITY GUIDELINES</p>	<ul style="list-style-type: none"> • Only products which are suitable to the customers would be offered. • Suitability / Fitment of the product would be defined on the basis of parameters such as life stages, age, needs, can the customer afford and later renew etc. • The bank would not follow any restrictive practices of forcing a customer to opt for products of a specific insurance company instead lay down all the options/list of Insurance Companies in front of the customer with whom the bank has tie-ups to distribute the products and provide them with the details such as scope of coverage, term of policy, premium payable, premium terms and any other information which the customer seeks on all products available with them. Further, the Agent shall also disclose the scale of commission in respect of the insurance product offered, if asked by the prospect; • It will be a prominent practice where the bank clearly states that the purchase of any insurance products by the customer is purely voluntary. • The methodologies adopted to make the customer understand insurance products and advise suitable product as per need would be simple and compliant with regulations. The risk, terms & conditions associated with the contract and the customer consent must be recorded. • In addition, the customer’s understanding for the product will be verified by the processes like a welcome call and post issuance service call from the Insurance partners. In case a customer wishes to surrender the insurance policy, the branches will offer the necessary support to the customers within 15 days of the issuance of the policy to surrender the policy. • The branches have to ensure that the customers’ understand the decision of availing particular insurance product by them would purely be a subject matter between them and the insurance company.
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<p>x.</p>	<p>PRODUCT MIX</p>	<table border="1"> <tr> <td data-bbox="730 271 938 501"> <p>LIFE</p> </td> <td data-bbox="938 271 1437 501"> <p>Investment Products* - Traditional Guaranteed, Term Plans, Pension Plans, Health Plans, Credit Life, etc. and applicable riders attachable to the policies.</p> </td> </tr> <tr> <td data-bbox="730 501 938 732"> <p>NON LIFE**</p> </td> <td data-bbox="938 501 1437 732"> <p>Motor, Home Insurance, Fire, Construction and Engineering, Liability/Stock, Health, Cattle, Personal Accidental, Loan Protection, etc. (individual and group, both)</p> </td> </tr> <tr> <td data-bbox="730 732 938 851"> <p>HEALTH</p> </td> <td data-bbox="938 732 1437 851"> <p>Health, Personal Accident, Group Health, Group Personal Accidental, etc.</p> </td> </tr> </table> <p>* Unit linked plans are not allowed. ** Under General Insurance i.e. Non-life, bank shall solicit and procure retail lines of general insurance products and commercial lines of Insurance Companies having a total sum insured not more than Rs. five Crore per risk for all insurances combined.</p>	<p>LIFE</p>	<p>Investment Products* - Traditional Guaranteed, Term Plans, Pension Plans, Health Plans, Credit Life, etc. and applicable riders attachable to the policies.</p>	<p>NON LIFE**</p>	<p>Motor, Home Insurance, Fire, Construction and Engineering, Liability/Stock, Health, Cattle, Personal Accidental, Loan Protection, etc. (individual and group, both)</p>	<p>HEALTH</p>	<p>Health, Personal Accident, Group Health, Group Personal Accidental, etc.</p>
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<p>HEALTH</p>	<p>Health, Personal Accident, Group Health, Group Personal Accidental, etc.</p>							
<p>xi.</p>	<p>POLICY SERVICING</p>	<ul style="list-style-type: none"> • The Bank shall service and assist in payment of premium as required under the Regulations. • The Bank shall adhere to section 64VB of IRDA Act, 1938 (as amended from time to time) and provide necessary assistance and guidance in the event of a claim and provide all other services and guidance on issues which arise during the course of an insurance contract. • The Bank shall ensure remittance of premiums by the policy holders within the stipulated time without delays as the insurance covers only start from when the premiums are received by the insurance companies. • The bank shall not waive any conditions in any of the insurance products of the Companies; 						
<p>xii.</p>	<p>RENEWAL / PERSISTENCY</p>	<ul style="list-style-type: none"> • In Life Insurance Policies, the customer gets the benefit of both insurance and investment return only when the Policy is renewed in time and kept live for the entire Policy Period. • Therefore, a satisfactory Persistency Rate is a 						

		<p>healthy sign indicating that the customer has understood the policy before purchasing and is interested in continuing it.</p> <ul style="list-style-type: none"> • The branches must inform the customers / policy holders that if the policy lapses within 2 or 3 years, they may not get back any refund against the premiums paid by them. • Therefore, satisfactory Persistency Rate is a healthy sign indicating that the customer has understood the policy before purchasing and is interested in continuing it.
<p>xiii.</p>	<p style="text-align: center;">SALES & MARKETING</p>	<ul style="list-style-type: none"> • The company shall generally, not be allowed to exhibit any poster/banner on or near branch premises. However, the tie up arrangement may be highlighted in advertisement material like notices, pamphlets, banners etc. containing the name and logo of the HP State Cooperative Bank Ltd (Co-Branding) with prior approval from Bank’s Management. • For using Bank’s logo on banners/publicity material will be approved on the following terms and conditions: <ul style="list-style-type: none"> ➤ The Company will only display the logo on publicity material which has been approved by the Bank. ➤ The Insurance Company shall display the banners/publicity material containing Bank’s logo in the premises of the branches/admn offices only and not at any other public places. ➤ The Insurance Company shall be held responsible for any improper display of the Bank’s logo. ➤ The Company shall not use the Bank’s logo on publicity material other than publicising the products being offered to the customers of the Bank. ➤ Permission shall be valid till the continuity of the tie up with insurance company and shall be deemed to be withdrawn automatically in case the tie-up ends earlier. However, the bank will have the right to withdraw this permission at any time without assigning any reason.

xiv.	STRICT COMPLIANCE	<ul style="list-style-type: none"> • The insurance products shall only be offered as ancillary products along with Principal Business Products, based on need and financial analysis. No prospect/customer shall be compelled to buy insurance product being offered along with Bank's products. • The bank will maintain arms length relationship in financial matters at all times between the Banking business and insurance distribution business.
xv.	MAINTENANCE OF RECORDS	<ul style="list-style-type: none"> • As per IRDAI guidelines, the branches and specified persons are advised to maintain records either in physical form or electronic form containing list of clients, client details (address/DOB/Contact Info) details of policy such as type of policy, premium amount, date of issue of the policy and charges or fees received. Thus the Branches and Specified Persons are advised to maintain the register and list down the business done with all the details as mentioned in this regard. • The register that will be maintained as mentioned above should also have the policies due information which shall be shared with the Insurance companies in the last week of the preceding month from which the policies are due. The branches should maintain the register in a month wise format so that the policies due in a particular month are recorded and the same should be checked regularly to ensure the policies are renewed on time. • The records shall be maintained either for a minimum period of 10 years or as per the extant legal requirements and IRDAI guidelines. Prior permission from Head Office has to be obtained for disposal of any old records. • The Principal Officer shall be responsible for ensuring that the Bank maintains all records and books of accounts in accordance with the Regulations and guidelines issued by the Authority from time to time.
xvi.	GRIEVANCE REDRESSAL MECHANISM	<ul style="list-style-type: none"> • The Bank has already adopted the grievance redressal policy for resolution of grievance/complaints from the customers

		<p>related to banking business, duly approved by the Board. Grievance / complaints related to insurance will also be handled by the Grievance Redressal Cell if the customers contact on that number.</p> <ul style="list-style-type: none"> • The Branches shall take adequate steps for redressal of grievances of its customers within 14 days of receipt of such complaints. • The Branches and Specified Persons will maintain a register containing the details of the complaints received by them which will include name of the complainant, nature of the complaint, details of policy issued/solicited and action taken thereon. • The complaints must be put on record and a written resolution to the customers must be provided. • The branches shall forward all intimations, complaints (written/verbal) received by them from any existing/potential policyholder to the concerned companies within three (3) days of receipt of the same. • All means necessary will be adopted to resolve the complaints and accordingly liaise with the respective insurance partners for resolution of all queries and if need be the matters be escalated to Head Office at any given time.
<p>xvii.</p>	<p>CLAIM SETTLEMENT</p>	<p>Bank as a Corporate Agent shall comply with the regulatory requirement with respect to the claim processing including:</p> <ul style="list-style-type: none"> • Assist the policy holders/claimant/beneficiary, to every extent possible, in complying with the requirements for settlement of claims. • Any decision made by the insurer on a claim will be promptly informed to the nominee/beneficiary without any delay, giving all reasonable assistance in pursuing his/her claim. • To extend all possible help and co-operation to the insured / claimant in completion of all formalities and documentation of claim. • To coordinate with the insurance company and the claimant and to ensure that legitimate claims are processed. • The Branches will facilitate in processing the claims but shall not settle or promise any

		claim settlements.
xviii.	REMUNERATION	<ul style="list-style-type: none"> The Bank shall receive remuneration from Insurance Company only in accordance with the Regulations notified by IRDAI in this regard from time to time.
xix.	CODE OF CONDUCT BY THE INSURANCE COMPANIES	<ul style="list-style-type: none"> The personnel deputed by the company shall give their proper identification and credentials before being allowed to operationalize the business. The Bank shall not share any banking information with any person other than those as allowed by the bank. The person shall not be allowed to sit alone in the premises or see the office record/accounts of the clients. The Branch Manager shall ensure to procure the policy documents from the company within one month from the date of purchase of that policy. In case the companies do not provide the policy document in time, the same shall be reported to BDD through email. The Bank may terminate this arrangement, in case the activities of any company are found to be detrimental to the interest of the Bank. In such a case the branches will be informed accordingly.
xx.	CODE OF CONDUCT BY THE BRANCH MANAGERS	<ul style="list-style-type: none"> The Incumbents are advised that no form of payment of fees, commission, remuneration, incentive by any other name whatsoever for the purpose of sale, introduction, lead generation, etc. should be accepted from these Insurance Companies. No Bank Official will speak negatively about any Insurance Company or the products offered by them, doing so would be a breach of the agreements the Bank has signed with these companies. Strict action will be taken against the Branch Managers for not complying with these instructions.
xxi.	PREMIUM REMITTANCE	<ul style="list-style-type: none"> The premium shall be debited from the account of the customer and shall be transferred to premium collection account of concerned

		<p>Insurance Company. The premium for every insurance transaction shall be transferred to the company's current account separately with the narration as under:</p> <p>By Form No.....of Sh.....Son of.....</p> <p>Example:- By Form No 023451 of Sh. Ram Kumar Son of Sh. Shiv Kumar</p>
xxii.	REVIEW OF THE PERFORMANCE OF INSURANCE COMPANIES	<ul style="list-style-type: none"> The bank intends to review the performance of the selected companies and the branches on a quarterly basis in the District Managers meetings and as such the incumbents of the branches shall maintain a proper record of the Insurance Business.

13. CONCLUSION

This Policy shall be reviewed every year taking into account any changes in regulations and guidelines issued by the Regulators from time to time. It would be regularly reviewed with the changing demographics of banking industry or changes in strategic options of the Bank in this line of business.



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