

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA

NOTIFICATION

Hyderabad, the 14th December, 2016

**INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA (PAYMENT OF
COMMISSION OR REMUNERATION OR REWARD TO INSURANCE AGENTS AND INSURANCE
INTERMEDIARIES)**

REGULATIONS, 2016

F. No. IRDAI/Reg/25/137/2016.—In exercise of the powers conferred by clause (ic) and (jd) of sub-section 2 of section 114A read with section 31B of the Insurance Act, 1938 (4 of 1938), and read with sub-section (1) of sections 14 and 26 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999), the Authority in consultation with the Insurance Advisory Committee, hereby makes the following regulations, namely:-

1. Short Title and Commencement of the Regulations:

- (a) These Regulations may be called the Insurance Regulatory and Development Authority of India (Payment of commission or remuneration or reward to insurance agents and insurance intermediaries) Regulations, 2016.
- (b) They shall come into force on 1st April, 2017.

Schedule – II

Health Insurance (General & Stand-alone Health Insurers) – Reg 5(c)

The maximum commission or remuneration as a percentage of premium that is allowed for health insurance products offered by general insurers or stand-alone health insurers is as under:

S. No	Line of business	Commissions/ Remuneration
1	Health-Individual*	15%
2	Health-Group (Employer-Employee only) - Annual	7.5%
3	Health-Group (Non Employer-Employee groups – not formed solely for availing insurance as defined in IRDA Group Guidelines of 14 th July, 2005) – Annual	15%
4	Health – Group (credit linked upto 5 years)	15%
5	Health-Govt Scheme	As specified in the Government Scheme/ Notification else as per Health - Group (Employer-Employee only) - Annual segment

*- Individual includes annual premium, 3 years single premium, 3 years regular premium

Schedule – III

General Insurance (other than motor) – Reg 5(d)

The maximum commission or remuneration as a percentage of premium that is allowed for general insurance (other than motor) is as under:

S. No	Line of business (Other than Motor)	Maximum Commission payable to insurance agent	Maximum remuneration payable to insurance intermediary
1	Fire-Retail	15%	16.5%
2	Fire-Corporate (Risks with S.I. ≤ Rs 2,500 crs)	10%	11.5%
3	Fire-Corporate (Risks with S.I. > Rs 2,500 crs)	5%	6.25%
4	Marine-Cargo	15%	16.5%
5	Marine-Hull	10%	11.5%
6	Miscellaneous – Retail	15%	16.5%
7	Miscellaneous – Corporate/ Group*	10%	12.5%
8	Miscellaneous – Corporate (Engineering Risks with S.I. > Rs 2,500 crs)	5%	6.25%

* - Commission/ remuneration shall be payable as per Government Notification.

Schedule – IV

Motor Insurance – Reg 5(e)

The maximum commission or remuneration as a percentage of premium that is allowed for general insurance (motor) is as under:

S. No.	Line of business	Maximum Commission/ remuneration payable to insurance agents/ insurance intermediaries
1	Motor (Comprehensive)*	15%
2	Motor (Stand-alone TP)	2.5%

* - Commission/ remuneration shall be payable only to the OD portion of the Motor (Comprehensive) policy.