



Fincare Small Finance Bank

**Open architecture policy for corporate
agency registration under new IRDA
regulations, 2015 – Version 2**

Contents

1. Regulatory context	2
2. Policy content	2
2.1. Introduction and background	2
2.2. Applicability and scope	2
2.3. Approach	3
2.3.1. Open architecture	3
2.3.2. Business mix and insurance products	3
2.4. Manner of soliciting insurance products	3
2.5. Servicing	3
2.6. Partners in tie up	4
2.7. Grievance Redressal Mechanism	4
2.8. Ensuring Customer Appropriateness and Suitability	5
2.9. Maintenance of the books and records	5
2.10. Compliance and Regulatory Reporting	5
2.11. Effective Date and Policy Review	6
3. Document review and approval	7

1. Regulatory context

1.1. Compliance context:

The following key regulation is applicable to the current policy document.

Regulator	Regulation name	Regulation date	Regulation code
RBI	Master Direction- Reserve Bank of India (Financial Services provided by Banks) Directions, 2016	May 26, 2016	RBI/DBR/2015-16/25 Master Direction/DBR.FSD.No.101/24.01.041/201516

1.2. Governance Context:

1.2.1. **Board:** Applicable

1.2.2. **Sub Committee of Board:** Customer Service Committee

1.2.3. **Management Committee:** Standing Committee on Customer Service

1.3. **Best Practice Context:** Not Applicable

2. Policy content

2.1. Introduction and background

IRDAI has issued regulations to register and regulate the business activities of corporate agents called IRDAI (Registration of Corporate Agents) Regulations, 2015. These regulations, replace the erstwhile IRDA (Licensing of Corporate Agents) Regulations, 2002. The new regulations permit the Corporate Agents to tie up with 3 insurers in each business segment i.e. Life, General & Health Insurance.

2.2. Applicability and scope

Regulation 20 of the IRDAI (Registration of Corporate Agents) Regulations 2015 require the corporate agents to have in place Board approved policy on the manner of solicitation and servicing the insurance products and the same is to be filed with IRDA at the time of seeking registration. Accordingly this policy is drafted to lay down the approach to be adopted by the Bank with respect to marketing and servicing of Insurance products. However, this policy is

drafted under the extant regulations which supersede this policy in case of any conflict with this policy.

Words and expressions used and not defined in this policy but defined in the Act, as amended from time to time, the Insurance Regulatory and Development Authority Act, 1999 or in any of the Regulations / Guidelines made there under shall have the meanings respectively assigned to them in those Acts/ Regulations / Guidelines.

2.3. Approach

2.3.1. Open architecture

Fincare Small Finance Bank Limited (hereinafter referred to as “Bank”) shall pursue registration under the category of “Corporate Agent (Composite)” and tie up with one or more insurers for each specified category of business for an initial period of at least 1 year subject to the IRDAI Regulations as amended from time to time, however the decision to increase the number of tie ups in each category may be reviewed by the Board from time to time.

2.3.2. Business mix and insurance products

The Business mix with different insurers shall be as per the Bank philosophy and as per the needs of the customers. Insurance distribution will be a subsidiary activity to the main banking business of the Bank.

The Bank will solicit and service various types of insurance products Group & Individual products, ULIP & Non – ULIP products etc subject to the compliance of IRDAI regulations & in line with agreements with various insurers in this regard. The Bank shall ensure that it has reasonable number of specified person employed in line with the applicable regulations issued in this regard.

2.4. Manner of soliciting insurance products

The target audiences for the insurance business solicitation will be the Bank’s customers as well as non-customers from metro, urban, semi-urban and rural locations . Insurance policies will be solicited only by qualified persons. Necessary regulatory procedures will be followed before beginning to source insurance policies. Adherence to KYC and AML guidelines will be ensured before onboarding the customer for insurance products.

2.5. Servicing

As a Corporate Agent the Bank is duty bound to service our policyholders during the entire period of contract. We will assist our customers in payment of premium required under section 64VB of the Act, provide necessary assistance and guidance to our customers in the event of

a claim and also service on other aspects as required by applicable regulations. The Bank will also render necessary assistance to the policyholders or claimants or beneficiaries in complying with the requirements for settlement of claims by the insurer.

2.6. Partners in tie up

- a) List of insurer(s) in each line of insurance business will be finalized by the Bank's management team and informed to the board from time to time
- b) Necessary processes will be followed for change in future date including addition, termination, etc with insurers

2.7. Grievance Redressal Mechanism

The Bank will institute suitable Grievance Redressal Machinery to ensure that the grievances of the customers are addressed within the timelines as stipulated under the applicable regulations and shall take adequate steps for redressal of grievance of the clients within the timeframe as specified by Authority. The Authority will also be kept informed about the number, nature and other particulars of the complaints received from such clients and manner as may be specified by the Authority. The bank will work with the insurance partners to ensure timely resolution of all customer complaints.

Modes of registering complaints

- Customer can register the complaint in a written, verbal or electronic form.
- At the branch, customers can speak to respective officials for resolution of their issues or register their grievances through the complaint book available in physical or electronic mode in the touch points.
- Customers can also contact our Customer Care officers over the phone for redressal of issues or write to us at: Fincare Small Finance Bank Limited, 5th Floor, Bren Mercury, Kaikondranahalli, Sarjapur Main Road, Bangalore – 560102 □ The staff will be trained for handling complaints efficiently.
- Customers can also lodge a complaint using the Complaint Registration Form placed on the website.
- All customers registering a complaint will get an appropriate acknowledgement of the same from the Bank depending on the channel through which the complaint is received.

System to capture complaints

CRM Helpdesk system will be used to capture customer related grievances. The Bank will put in place a Customer Relationship Management (CRM) system to enable efficient and effective tracking, escalation, and resolution of complaints on a regular basis

Resolution of complaints

Timeframe/TAT

The complaints will be analysed from all possible angles. Complaints shall be resolved in a proper and time bound manner, as per the defined TATs for types of grievances. In case the resolution needs time, a suitable interim response shall be communicated to the customers

Escalation of Complaints

If the customer's issue is not resolved even after contacting various complaint resolution channels, he/she can write to the Bank's Nodal Officers who are positioned

In addition, the Principal Officer will be responsible for implementation of customer service and complaint handling for third party insurance products. It will be the responsibility of the Principal Officer to ensure that internal machinery for handling insurance complaints/grievances operates smoothly and efficiently at all levels. He/She will give feedback on training needs of staff at various levels to the HR Dept.

Review of customer grievances

The bank will do a periodic review of customer grievances relating to insurance and work with insurance companies to ensure that the products, processes, and systems are improved and fine-tuned, and grievances are pre-emptively handled.

2.8. Ensuring Customer Appropriateness and Suitability

While undertaking insurance distribution business under the corporate agency model, the Bank will ensure the following:

- All employees dealing with insurance agency business should possess the requisite qualification prescribed by IRDA
- The Bank will set up a system of assessment of the suitability of products for customers. Pure risk term products with no investment or growth components that are simple and easy for the customer to understand will be deemed universally suitable products. The Bank will undertake a customer need assessment for more complex products prior to sale. The Bank shall ensure that there is a standardized system of assessing the needs of the customer and that initiation/transactional and approval processes are segregated.
- The Bank shall treat its customers fairly, honestly and transparently, with regard to suitability and appropriateness of the insurance product sold

2.9. Maintenance of the books and records

The Bank will maintain all books, records and others documents as required by applicable regulations including policy application forms and customers KYC in the form as may be approved by IRDAI from time to time. The record will also be maintained in electronic form as specified by Authority.

All the books, record and documents maintained by the Bank will be available for inspection at the Head Office in case required by authority or any of the insurers.

2.10. Compliance and Regulatory Reporting

The Bank will comply with all the applicable regulations and submit returns to IRDAI as specified by the Authority from time to time including half yearly submission of insurer wise business place for life, general and health Insurers.

2.11. Effective Date and Policy Review

This policy shall be effective from February 10, 2018 or from the date of registration as a Corporate Agent, whichever is later. This policy will be reviewed by the Board annually or earlier if required.

3. Document review and approval

3.1 Policy Owner: Retail Banking

3.2 SME: Ashish Misra

3.3 Effective date: From the date of registration as a corporate agent

3.4 Revision history:

Version	Author	Date	Revision
1	Sriram V J	27-02-2018	
2	Sriram V J	14-03-2018	
3	Paul Jose	04-06-2021	

This document has been reviewed by

	Reviewer	Date reviewed
1	Ashish Misra, COO Retail Banking	
2	Devika Praveen, Head-Compliance	05-06-2021
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Ashish Misra

This document has been approved by

Name	Signature	Date reviewed
I. Board		14 th July 2021
II.		
III.		
IV.		
V.		