



भारतीय बीमा विनियामक और विकास प्राधिकरण  
INSURANCE REGULATORY AND  
DEVELOPMENT AUTHORITY OF INDIA

No. IRDAI/INT/CIR/PSP/159/09/2018

25<sup>th</sup> September, 2018

To

All CEOs of Life, General & Stand-Alone Health Insurers

All PO's of Insurance Intermediaries

- Reg. 1. Removal of the prefix 'POS' from POS product name
2. Allowing all Micro Insurance products of Life, General and Health insurance to be distributed through the POS
3. Manner of dealing with cases of Health/ PA policies where Sum Insured crosses the limit specified under the POS guidelines

I. Removal of the prefix 'POS' from POS product name

1. The Authority has received representation from insurance companies requesting to do away with the prefix "POS" in the product name.
2. Attention is drawn to Point No. V (2) of IRDA Circular No. IRDA/ Int/ GSL/ ORD/ 183/ 10/ 2015 dt. 26.10.2015 for General & Health insurance and point No.2 (ii) of IRDA Circular No. IRDA/ LIFE/ GSL/ GSL/ 222/ 11/ 2016 dt.07.11.2016 for life insurance – which states that every policy sold through the "Point of Sales Persons", shall be separately identified and pre-fixed by the name "POS - (name of the Product)".
3. It may be noted that the above requirement was to identify the person involved in the sales process. The IRDAI (Protection of Policyholder's Interest) Regulations, 2017, under the matters to be stated in life, general and health insurance policy, makes it mandatory to give the details of the person involved in the sales process. By virtue of this requirement, the need to have the prefix "POS" becomes redundant as the insurance policy itself will carry the details of the person selling such a policy.

**In the light of the above, the Authority, hereby, discontinues requirements of using the word "POS" prefixed before the POS product name for Life, General and Health products.**



II. **Allowing all Micro Insurance products in life, general and health insurance be distributed through the POS**

4. Similarly, it is observed that advantages such as higher insurance penetration, lower prices, increased choice to customers, etc which would otherwise accrue to the policyholder by making micro-insurance products available through POS channel is being lost.

Therefore, the Authority after reviewing the position, hereby allows all Micro Insurance products of Life, General and Health insurance to be distributed through the POS also.

III. **Manner of dealing with cases of Health/ PA policies where Sum Insured crosses the limit specified under the POS guidelines**

5. Reference is drawn to Guideline No. IRDA/ INT/ GDL/ ORD/ 183/ 10/ 2015 dt. 26<sup>th</sup> October, 2015 and Cir. No. IRDA/ INT/ CIR/ PSP/ 239/ 2017 dt. 25<sup>th</sup> October, 2017, wherein the maximum sum insured limit of Rs 50 lakhs per life was stipulated for a Personal Accident policy and Rs 5 lakhs for Indemnity based Health insurance product

It is hereby clarified that if the maximum sum insured under the policy crosses the limit on account of no claim bonus accruing to the policyholder, it will be unfair to the POS to be denied his fees on the policy sourced by him. Therefore, the sponsoring entity is allowed to recognize such policies as being sourced by the POS and pay the fees to the POS, so long it can be clearly established that the excess sum insured is only on account of No-Claim Bonus.

(Sujay Banarji)

Member (Distribution)