



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

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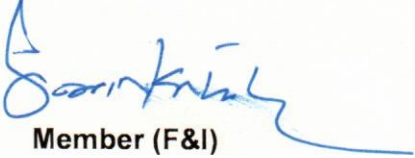
CIRCULAR

The Chairman/CEO's of
All Insurance Companies

Appointment of Common/Nominee Director(s) on the Board of Insurance Company

- A. The Authority receives requests from Insurance Companies seeking approval for new appointment and/or continuation of appointment of Common/Nominee Director(s) representing insurance agent or intermediary or insurance intermediary on the Board of their company under Section 48A of the Insurance Act, 1938.
- B. While seeking permission from the Authority, Insurers are advised to ensure the following:-
- The proposed director shall not be working in the capacity of the Chief Insurance Executive/Specified Person or any other officer responsible for soliciting insurance business for or on behalf of the insurance agent, intermediary or insurance intermediary while holding the position of director in the insurance company.
 - There should be no conflict of interest or prejudice against the interest of the policyholders as a result of such appointment.
 - No remuneration shall be payable to non-executive directors without prior approval of the Authority. However, Insurers are permitted to pay sitting fee, as per applicable norms.
 - The disclosure requirement as laid down under the Corporate Governance Guidelines, IRDAI (Preparation of Financial Statement and Auditor's Report of Insurance Companies) Regulations, 2002 and any other applicable laws shall be complied with.
- C. The application for approval shall be accompanied by the following:-
- The brief profile of the proposed director.
 - Resolution for such appointment.
 - A certificate from Managing Director/Chief Executive Officer that the conditions laid down at Para B above are complied with.

This circular is issued in exercise of the powers conferred under Section 14(1) of the IRDA Act, 1999.


Member (F&I)