

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1421
ANSWERED ON:05.03.2010
CEILING ON INSURANCE BROKERS BUSINESS
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Will the Minister of FINANCE be pleased to state:

(a) whether the Insurance Regulatory and Development Authority (IRDA) has fixed any ceiling under the insurance laws and act on the business of an Insurance broker; and

(b) if so, the details thereof?

Answer

Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) & (b): The Insurance Regulatory and Development Authority (IRDA) has informed that it has not fixed any ceiling on the total business that an Insurance Broker can do. However a ceiling is prescribed for business from a single client under Regulation 20 of Insurance Regulatory and Development Authority (Insurance Broker) Regulations, 2002. As per the Regulation 20, 'The business of the Insurance Broker shall be carried in such a manner that not more than 50 per cent of the premium (quantum, receipts etc. as the case may be) in the first year of business, 40 per cent of the premium in the second year of business and 30 per cent of the premium from the third year of business onwards shall emanate from any one client.