ManipalCigna Health Insurance Company Limited

Policy for Payment of Commission or Remuneration or Reward to Insurance Agents and Insurance Intermediary

Owner: Distribution Operations and Sales Strategy

Approver: ManipalCigna Board of Directors

Version: V12.0

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Review History

Date of Review	Changes to Section	Review initiated by	Review signed off by	Review Approved by	Version Number	Effective from
January 11, 2017	N.A.	Rupa Mogaveera Vishal Surana	Jyoti Punja	Board of Directors	v1.0	April 1, 2017
August 10, 2018		Vimesh Shah	Vishal Surana	Board of Directors	V2.0	August 10, 2018
October 31, 2018		Vimesh Shah	Vishal Surana	Board of Directors	V3.0	November 2, 2018
July 31, 2019	Annual Review	Gautam Upadhya	Vishal Surana	Board of Directors	V4.0	August 2, 2019
November 5, 2019		Shiv Sahu	Priya Gilbile	Board of Directors	V5.0	November 13, 2019
January 28, 2020		Vishal Surana	Shashank Chaphekar	Board of Directors	V6.0	February 6, 2020
July 27, 2020	Annual Review	Vishal Surana	Shashank Chaphekar	Board of Directors	V7.0	August 5, 2020

July 19, 2021	Annual Review	Vishal Surana	Shashank Chaphekar	Board of Directors	V8.0	August 5, 2021
May 02, 2022	Annual Review	Vishal Surana	Shashank Chaphekar	Board of Directors	V9.0	May 11, 2022
March 31, 2023	Annual Review	Vishal Surana	Shashank Chaphekar	Board of Directors	V10.0	April 1, 2023
August 2, 2024	Annual Review	Vishal Surana	Shashank Chaphekar	Board of Directors	V11.0	August 2, 2024
July 29, 2025	Annual Review	Nilesh Garia	Shashank Chaphekar	Board of Directors	V12.0	August 6, 2025

Confidentiality Clause:

All information held about the procedure or in connection with the procedure and any of the above is to be regarded as confidential. One will not at any time during tenure of employment or afterwards, disclose to any person any information as to the business, dealings, practice, accounts, finances, trading, software, know-how, affairs of the procedure or otherwise connected with the procedure. Any breach of this clause would constitute very serious disciplinary action.

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1. Reference Documents

1.1. Table 1: List of IRDAI Guidelines

Illustrative List of IRDAI Guidelines/Regulations

Reference	Date	Document Type
Insurance Regulatory and Development Authority of India (Expenses of Management, including Commission, of Insurers) Regulations, 2024	22 Jan 2024	IRDAI Regulations
Master Circular on Expenses of Management, including Commission, of Insurers, 2024	15 May 2024	Master Circular
Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024	20 Mar 2024	IRDAI Regulations
Master Circular on Actuarial, Finance and Investment Functions of Insurers	17 May 2024	Master Circular

1.2. Table 2: Risks intended to be covered

Mentioned below is the type of risk covered in the process note

Risk Type	Comments
Regulatory /Compliance	Non adherence to guidelines issued by IRDAI

1.3. Document review process - Annual

2.1. Scope

- This Policy is prepared with the aim to articulate IRDAI requirements to be complied by ManipalCigna Health Insurance Company Limited.
- This Policy sets forth the minimum standards to be complied with for Commission, Remuneration and Reward Payments.
- It incorporates the process in relevance to the IRDAI guidelines & amendments issued till date of Board approval.
- The new commission structure shall not apply to policies sold till 31st March 2023.

2.2. Objectives

The objectives of this Policy are to:

- Provide an overview of the regulatory framework governing payout management for an Insurance company.
- Provide direction and guidance to adopt sound and responsive risk management practices for effective oversight, due diligence and management of risks arising from payouts.
- Promote fair and transparent competition among intermediaries
- Align incentives with customer needs
- Encourage efficient and cost effective distribution
- Document regulatory reporting requirements.
- Apart from above, the objectives of the policy for payment of commission also takes into consideration following aspects to ensure good distribution practice i.e. :
    - It is in the interest of the policyholders
    - It increases insurance penetration and density in the country
    - The nature and tenure of the insurance policy
    - The interest of the Insurance agent, Intermediary or Insurance intermediary
    - Enhances the performance of the Insurance agent, Intermediary or Insurance intermediary
    - It is commensurate with its business strategy
    - Brings cost efficiencies in the conduct of business and simplification of the administration of insurance business
    - It helps to increase the market share and ensure compliance with regulatory requirements.

The total commission payable under health insurance products offered shall not exceed the EOM limits specified under Insurance Regulatory and Development Authority of India (Expenses of Management of Insurers transacting General or Health Insurance business) Regulations, 2023 as amended from time to time.

2.3. Target Audience

- This Policy is strictly for internal use and should be readily available to all personnel across the Company.

2.4. Key Terms used

- IRDAI – Insurance Regulatory and Development Authority of India
- CEO – Chief Executive Officer
- CDO – Chief Distribution Officer
- CFO - Chief Financial Officer.

3. Overview

3.1. Background

ManipalCigna Health Insurance Company Limited (hereafter referred to as 'the Company' for the purpose of this Policy) strives to conduct its business in unison with the current regulations in India with respect to Payment of Commission, Remuneration or Reward to Agents & Intermediary.

3.2. Definition

Line of Business

Line of Business includes all Regulatory approved Health Insurance products (Individual, Group Employer-Employee, Group Non Employer-Employee, Government Schemes etc.) including Personal Accident, Travel & any other segment/product defined by Regulator from time to time.

Commission

Commission" means any compensation including remuneration, or reward, by whatever name called, paid by an insurer to Insurance agent, Intermediary or Insurance intermediary, as applicable, for soliciting or procuring or transacting insurance business.

3.3. Persons engaged for solicitation

For the purpose of solicitation of insurance policies, the Company may engage:

- **Insurance Agents**
- **Insurance Intermediaries**
  - Corporate agents
  - Insurance Brokers
  - Web Aggregators
  - Insurance Marketing Firm Any other person/entity as may be notified by IRDAI from time to time for the purpose of solicitation of insurance business.

4. Manner of Payment of Commission or Remuneration or Reward to Insurance Agents and Insurance Intermediaries

4.1. GENERAL

Table A: Commission to Insurance Agents

S. No	Line of business	Commission on portfolio basis as % to GWP for Financial Year
1	Health-Individual*	Upto 22%
2	Health-Group (Non Employer-Employee)	Upto 22%
3	Health-Group (Employer-Employee)	Upto 11%

*NOTE

- In case of multiyear policies, commission is calculated based on the entire policy tenure, but the commission payout is released annually corresponding to the current policy year.

Commission rate upto 10% is applicable in case any of the insured age exceeds 60 years during renewal. This is applicable for retail & affinity business.

- No commission can be paid to any Insurance Agent in respect of policies wherein:
    - Any commission is payable to an insurance intermediary on the same policy and vice-versa

Where policies are procured directly by the Company

Company shall follow the internal guidelines on the orphan policies. Further, Company may have internal guidelines regarding any restrictions/relaxations on commission to be paid to Insurance Agents based on internal parameters as maybe decided solely by the Company

Table B: Commission to Intermediary and Insurance Intermediary

S. No	Line of business	Commission on portfolio basis as % to GWP for Financial Year
1	Health-Individual*	Upto 40%
2	Health-Group (Non Employer-Employee)	Upto 50%
3	Health-Group (Employer-Employee)	Upto 11%
4	Health – Govt. Scheme	As specified in the Govt./ IRDAI Scheme/Notification

*NOTE

- In case of multiyear policies, commission is calculated based on the entire policy tenure, but the commission payout is released annually corresponding to the current policy year.
- Commission rate upto 10% is applicable in case any of the insured age exceeds 60 years during renewal. This is applicable for retail & affinity business.
- No commission can be paid to any Insurance Intermediary in respect of policies wherein:
    - Any commission is payable to an insurance agent on the same policy and vice-versa
    - Where policies are procured directly by the Company

Company shall follow the internal guidelines on the orphan policies. Further, Company may have internal guidelines regarding any restrictions/relaxations on commission to be paid to Insurance Intermediary based on internal parameters as maybe decided solely by the Company

4.2. Commission for Portability of Insurance Policy

Commission for Portability of Insurance Policy shall be governed by IRDAI Regulations from time to time

4.3. Commission Philosophy

Commission to individual insurance agent, intermediary and insurance intermediary

The commission to be paid to an insurance agent, intermediary and insurance intermediary shall be decided by the Company based on business strategy which shall ensure fairness & reasonability of compensation to the insurance agent, intermediary & insurance intermediary and will commensurate with the efforts required to acquire & sustain the type of business sourced by them.

Such commission philosophy shall be approved by the CDO and CFO or CEO from time to time.

Commission shall be paid on the basis of **various criteria defined in performance based programs** designed for the insurance agents, intermediary & insurance intermediary. These programs shall run at various frequencies i.e. **Annual, Quarterly, monthly or for a shorter period as per business requirements**. Some of the drivers for such programs are as under:

a. Amount of Premium
b. Number of Policies
c. Product/Product Category
d. Policy duration
e. Loss Ratio Experience
f. Any other parameter decided by the Company from time to time

Company may pay insurance agents, intermediary & insurance intermediary who are eligible for the commission in any form including but not limited to following:

1. Monetary settlement directly in commission account as per designed scheme
2. Gratuity
3. Term Insurance Cover
4. PA Cover
5. Medical Insurance
6. Telephone Charges
7. Office Allowance
8. Sales Promotion
9. Gift Items
10. Competition Prizes
11. Risk Analysis
12. Gap Analyses
13. Plan Design
14. Predictive Modelling
15. Data Management
16. Risk Survey
17. Infrastructure charges
18. Advertisement charges
19. Monetary settlement in lieu of above gift or sales promotion item
20. Training Program / Sponsored Trip and such similar activities

Commission shall be reasonable and justifiable and the Company shall endeavor to have a consistent approach for payment to insurance agents, intermediary and insurance intermediary.

4.4. Communication to agents/ intermediaries

While rewards & remuneration philosophy is based on the principles of transparency and adherence to the prescribed limits, MCHI is equally focused on communicating the launch of any new initiative for rewards to the agents and insurance intermediaries empanelled with the company. All our rewards and recognition programs have clearly defined criteria, duration and norms of qualification to give clear visibility on the programs to insurance agents and insurance intermediaries.

Primarily, communication to the agents and insurance intermediaries will be done through our employees. However, we will also attempt to send communication pertaining to our new/ existing initiatives through any/ all of the following modes of communication:

- Social Media Platforms
- SMS
- E-mails
- Web/ Digital meetings
- Sales Meetings
- Branch Meetings
- Web/ Digital Portal
- And any other such communication mode being used from time to time

Communication is also done on a regular basis through personalized interactions between our local employees and insurance agents/ insurance intermediaries.

5. Manner of Governing, Monitoring, Reporting & Review of Policy

5.1 Governance & Oversight Mechanism

The Company in order to ensure proper governance of the policy will continuously monitor the policy related customer grievances and complaints to identify and address potential conflicts of interest due to above mentioned commission structures and will take necessary actions to ensure that intermediary adhere to high standards of behaviour and ethical practices. Further, CDO and CFO or CEO from time to time shall have the power to put appropriate caps on absolute amount w.r.t. certain segments to achieve the overall objectives of the policy.

5.2. Monitoring, Reporting & Review

The policy shall be reviewed annually by audit committee w.r.t actual commission % for each segment (as mentioned in Table A & B in Point 4.1) to assess the effectiveness and efficiency of the policy. Further, the Company shall also regularly appraise the performance & compliance of the commission structure to the Board of Directors & Senior Management.