

## IC-103 Distribution Channels Management in Insurance

**Revised text as below Additional information is included Chapter 8- on pages 178 to 180.**

### Summary

In the recent past, the Insurance Regulatory and Development Authority of India (IRDAI) has undertaken several unique initiatives to expand the insurance business in India.

One major goal is 'Insurance for All by 2047,' ensuring every Indian has adequate life, health, and property insurance. IRDAI's 2022 amendment to Insurance Intermediaries regulations expanded distribution tie-ups, raising caps for corporate agents (from 3 to 9 insurers per category) and Insurance Marketing Firms (IMFs) (from 2 to 6), and allowing IMFs to operate state-wide. These steps increase customer choices and promote insurance penetration.

Simplifying registration processes for insurers has been another focus, allowing Private Equity funds to invest directly without Special Purpose Vehicles and easing capital-raising regulations. IRDAI also introduced the 'Regulatory Sandbox' framework, enabling insurers to test innovative solutions like usage-based insurance, blockchain insurance, and cyber insurance in a controlled environment.

These efforts aim to boost innovation, investment, customer experience, and market competitiveness in the insurance sector.

### Self-Examination Questions

#### Question 1

What is the IRDAI's target year for achieving 'Insurance for All'?

- I. 2025
- II. 2047
- III. 2030
- IV. 2050

#### Question 2

Under the 2022 IRDAI amendment, what is the maximum number of insurers a corporate agent can tie-up with in each category?

- I. 3
- II. 5
- III. 6
- IV. 9

**Question 3**

**Which of the following is NOT mentioned as an example of innovation under the Regulatory Sandbox?**

- I. Peer-to-peer insurance
- II. Blockchain insurance
- III. Universal healthcare insurance
- IV. Usage-based motor insurance

**Question 4**

**Which of the following was made optional for Private Equity Funds investing in insurance companies?**

- I. Direct investment without Special Purpose Vehicles
- II. Mandatory state licenses
- III. Customer surveys
- IV. Public listing requirements

**Answers to Self-Examination Questions**

**Answer 1**

The correct option is II.  
2047.

**Answer 2**

The correct option is IV.  
9.

**Answer 3**

The correct option is III.  
Universal healthcare insurance

**Answer 4**

The correct option is I.  
Direct investment without Special Purpose Vehicles

---