



UJJIVAN SMALL FINANCE BANK
Build a Better Life

Open Architecture Policy (Third Party Products)



UJJIVAN SMALL FINANCE BANK

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Policy Approval Committee	
Board Committee	Board
Approver	Board of Directors
Policy Owner	Principal Officer & TPP
Review Frequency	At least annually

Version No.	Effective Date	Approved on	Summary of major Changes
V 1.0	Dec 8, 2016	Dec 8, 2016	NA
V1.1	July 31, 2018	July 31, 2018	<ol style="list-style-type: none"> 1. Change in the process of evaluation & selection of third party tie – up partners 2. Addition of new clause named “ Transparency and Disclosures”
V1.2	May 28, 2019	May 28, 2019	<ol style="list-style-type: none"> 1. Inclusion of PoSP along with SP for insurance solicitation 2. Modification in Solicitation process with respect to suitability
V1.3	July 31, 2020	July 31, 2020	<ol style="list-style-type: none"> 1. Inclusion of solicitation of Insurance through tele-marketing and distance marketing 2. Inclusion of policy servicing process in case of CA agreement termination with insurance partner 3. Modification in first level escalation of Zonal and Head Office Level in “Resolution of Grievance-Internal”
V1.4	July 30, 2021	Aug 06, 2021	<ol style="list-style-type: none"> 1. Inclusion of process of Switching of Specified Person 2. Inclusion of aspects related to Maintaining professional indemnity
V1.5	July 15, 2022	July 26, 2022	<ol style="list-style-type: none"> 1. New Health insurance Partner onboarded under Health Insurance 2. Update on the Resolution of Grievances – Internal Machinery and Time Frame – Offline 3. Details on the Regulatory reporting - Submitted Half yearly & Annually
V1.6	Jan 31, 2023	February 02, 2023	<ol style="list-style-type: none"> 1. Updates on IRDAI new open architecture policy as per IRDAI Gazette CG-DL-E-07122022-240853 2. Updated number of partners
V1.7	Jan 31, 2024	January 24, 2024	NA



Open architecture Policy for Insurance Business

Purpose of this policy

This Open architecture policy has been framed in accordance with the provisions of the IRDAI Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015 ["**the Regulations**"]. Open Architecture is based upon the philosophy of spreading of product choices for both, customers and corporate agents. To meet the aforementioned objective, the corporate agent is required to formulate a board approved policy for open architecture in terms of Reg. 20 of the Regulation.

The policy will be used to provide a framework for the insurance business of the organization.

Philosophy of Open Architecture:

Ujjivan Small Finance Bank Limited ("**Bank**") has evaluated the Regulations *vis-à-vis* its operations and taken note of the various compliances which are required to be done thereunder. The Bank may tie up with nine insurers in Life, nine insurers in General and nine in standalone Health Insurance as decided by the Board from time to time which as per the new updated guidelines issued by IRDAI. The Bank believes that with multiple tie-ups, it would be able to provide diverse range of insurance products, which will cater various insurance needs of the Bank's customers and provide better risk management services thereof. The Bank shall take appropriate registration from IRDAI under the Regulation. While soliciting insurance business for insurance partners, Bank shall take into account compliance of various applicable laws. Bank may adopt telemarketing mode for solicitation of insurance products, subject to compliance with various rules and regulations governing thereof.

Insurance Partners:

In order to provide one-stop financial solutions to its customers and to increase penetration of third party products, Bank may have multiple tie-ups for distribution of Life Insurance products, General Insurance products or Health Insurance Products under corporate agency arrangement.

Insurance Partners			
S.no	Life Insurance	General Insurance	Health Insurance
1	5 Nos	2 Nos	1 No.

The MD & CEO shall evaluate and select third party tie-up partners with whom we shall be entering into agreement and arrangement for distribution of their products. The same may be informed to the Board. The new partners should provide technological infrastructure and capabilities to integrate with our core system and other support systems like Customer Relationship Management, Enterprise Data ware house etc.



Criteria/parameters for selection of Insurance partners:

- Experience in Bancassurance Business
- Insurers specializing in different segments of products and catering to the needs of this wide customer base would be ideal for partnership.
- Brand value and market reputation of the insurance companies.
- Insurers likely to launch more products suitable for sales by Bank. Persistency ratio, Claims Ratio and Complaints /Grievance Redressal record
- Level of IT support in operations.
- Assets Under Management (AUM)

Business Mix

The Bank will continue to review along with its insurance partners about the best products that could be offered to its customers. The main focus of the Company shall be on retail and where it can provide best services and excellent customer experience.

Type of Insurance Products to be sold & serviced

The Bank will solicit and service all types of products as stated below in Life, General and Health insurance segments subject to the compliance of IRDAI regulations and in line with agreements with various Insurers in this regard.

Category of Business	Type of Products
Life	Protection plans, Annuity plans, Pension plans, Investment plans like endowment, Unit Linked plans and a selection of riders attachable to the policies (both individual and group, Credit Life products)
General	Motor, Health, Home Insurance for Individuals, Aviation, Fire, Marine, Construction & Engineering, Liability, etc. (Individual and Group, both)
Health	Health, Group Health, hospital cash etc.

The insurance products shall only be offered as ancillary product along with principal business product, based on need analysis. No prospect/customer shall be compelled to buy insurance product being offered along with other products.



I. MANNER OF SOLICITING AND SERVICING INSURANCE PRODUCTS

1. Solicitation

- Insurance shall be solicited only by the employees having a valid certificate issued by IRDAI to act as Specified Person (SP) or Point of Sales Person (PoSP), under the Regulation.
- The prospect/customer will not be compelled to buy an insurance product being offered along with the Bank's products.
- Insurance product shall be offered on the basis of need analysis and financial assessment of the customer. Products with investment components shall require the bank to necessarily undertake a customer need assessment prior to sale whereas pure risk term products with no investment or growth component shall be deemed as universally suitable products.
- All requisite information as per IRDAI regulation in respect of the insurance product being offered, shall be disseminated to the prospect/customer as also the list of insurers with whom the Bank has arrangements to distribute the products.
- The Bank shall endeavor to consistently enhance the skills of our SP/ PoSP and also increase the number of SP/ PoSP in line with business and customer requirements.
- The Specified person license is valid for a period of three years and the license is renewal regularly by the Bank
- The Bank shall issue a No Objection Certificate to the SP in case the SP resigns and wishes to switch over to another Bank / Corporate Agent
- Sale of Insurance by tele-marketing mode and distance marketing activities:
 - The Bank can engage the services of a telemarketer or engage in distance marketing activities for the purpose of distribution of insurance products
 - For the purpose of distribution of insurance products by tele-marketing mode and distance marketing activities, Bank shall follow the instructions as laid down in Schedule VII as per the Regulation
 - Additionally Bank has to comply with the clause 25. (1) and (2) of the Regulation



2. Servicing

The Bank is committed to service its customers in accordance with the procedure defined under the Board Approved policy, implemented by the Principal Officer & SP/ PoSP and as required under the Regulations. Servicing of policies would include aspects like:

- assisting in payment of premium in accordance with Section 64VB of the Insurance Act, 1938,
- providing necessary assistance and guidance in the event of a claim,
- providing all other services and guidance on related issues,
- handling of customer requests, complaints and queries
- The above services will be met through service level agreement with Insurers for smooth operation.

Under no circumstances, any employee including Principal Officer will act in a manner which will not be in the interest of the policy holder. Primarily, SP/ PoSP along with Principal Officer will be responsible to ensure compliance with servicing standards specified by the IRDAI, insurers and the Bank, but other employees dealing with the customers will also be responsible to ensure adherence to the prescribed servicing standards.

The Bank will make efforts at all times to impart knowledge and enhance the level of quality of the employees dealing with customers so that they can meet the trust and expectation of customers.

Identification of employees for performing the duties of SP/ PoSP and imparting and of requisite training to the identified employees shall be done in co-ordination with Human Resource Management Department, Head Office.

In case Bank, wishes to terminate the arrangement with any insurer, Bank may do so after informing the insurer and IRDAI, the reason for termination of arrangement. In such cases, Bank to ensure the policies solicited and placed with the insurer are serviced till the expiry of policies, or for a period of six months, whichever earlier within which time Bank shall make suitable arrangement with the concerned insurer.

II. GRIEVANCE REDRESSAL MECHANISM

The Bank's grievance redressal mechanism shall be further strengthened to ensure that the grievances raised by the policyholders/customers relating to their insurance policies, are addressed within the timelines as stipulated under the Regulations. The Authority will also be kept informed about the number, nature and other particulars of the complaints received from such clients in format and manner as may be specified by the Authority.



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Under grievance redressal mechanism, customer will be allowed to approach any of the offices or call center of the Bank to register a complaint.

- All complaints will be recorded in the complaints system/register and due acknowledgement will be issued to customers if the complaints are submitted in writing
- All the personnel across the Bank who directly or indirectly deal with customers will be provided training to handle insurance related complaints.
- The complaints of the customer will be duly reviewed and if required, investigated suitably and adequately.
- Customer will be duly responded with review or investigation findings within prescribed regulatory timelines along with information regarding escalation matrix, in case customer is not satisfied with the response of the Bank they can approach the Ombudsman.
- As and when required, a complaint will be dealt at the appropriate senior level of the Bank for timely and proper resolution.
- The above services will be met through service level agreement with Insurers for smooth operation.

Resolution of Grievances – Internal Machinery and Time Frame – Offline At Branch Level:

- Customer care representative & Branch Manager will be responsible for the resolution of the complaints/grievances in respect of customer's service by the Branch
- An acknowledgement should be given to the customer immediately on receipt of complaint in writing and to be resolved within 5 working days or else customer will be given the reasons for the delay in resolution as in most of the cases insurance companies support will be needed to resolve the complaint.

At Regional Level:

- If the Branch Manager feels that it is not possible at his/her end to solve the problem, then it may be referred to Regional Nodal Officer of the Bank at the Regional Office.

At Head Office Level:

- If the Regional Service Quality Manager feels that it is not possible at his/her end to solve the problem, then it may be referred to the Principal Nodal Officer. He will send final response or explain why the Bank needs more time to respond and shall endeavor to do so within 14 days of receipt of complaint.

❖ Grievances Escalation System:

If the customer does not receive a reply within 30 days or is unsatisfied with the reply from the date of last reply received, he/she can escalate the matter to RBI/ Banking ombudsman or any other related appellate authority.



III. MAINTENANCE OF RECORDS AND REPORTING REQUIREMENTS

- The Bank shall maintain all records and furnishing periodic reports/returns to IRDAI as prescribed under the Regulations including KYC records of the clients, copy of proposal form, customer register, complaint register, SP/ PoSP register etc.
- The Bank shall share all such information with the insurer, as may be required by regulator in relation to the insurance business undertaken by the Bank.
- Copies of the correspondence exchanged with the Authority (IRDA) shall be kept on record.
- The Bank has to maintain records in the format specified by the Authority which shall capture policy-wise and SP/ PoSP -wise details wherein each policy solicited by the Bank is tagged to the SP/ PoSP.
- The records may be maintained in electronic form as specified by Authority.
- All the books, records and documents maintained by the Bank will be made available for inspection in case required by Authority or any of the insurers
- The Bank shall submit periodical returns to IRDAI as specified by the Authority from time to time including half yearly submission of insurer wise business placed for Life, General & Health Insurers.

S.No	Half Yearly Returns to be September	
	Items	Description
1	Schedule VIII	Declaration in the letter head of CA duly signed by the MD & CEO and CFO
2	Complaints Register	Complaints received towards TPP from the customer and the Status (Resolved/Pending)
3	New Business Life and Health	Insurance Business solicited from Life & Health insurance
4	New Business General	Insurance Business solicited from Health insurance
5	SP Statement	Specified Person wise business solicited details
6	SP /AV Summary	Summary on SP /AV on count of policies solicited
Annual Returns to be submitted by Every March		
	Items	Description
7	Schedule VIA	Premium and income received during the FY duly signed by the Insurer CEO & CFO
8	Schedule VI B	Confirmation on Premium & income received from the insurer and duly signed by CA (CEO & CFO)
9	Schedule VIB Premium & Commission	Business numbers and income received to be input in the portal
10	Audited Financial Statement	Not Applicable
11	Professional Indemnity Policy	Not Applicable
12	Compliance Certificate	Not Applicable

- Bank shall ensure adhering to IRDAI Guidelines on reporting, amended from time to time.



IV. ROLE AND RESPONSIBILITY OF PRINCIPAL OFFICER, SP/ PoSP

The Bank shall designate an Officer as “Principal Officer” in accordance with the Regulations. The designated Principal Officer shall have responsibility to control, manage, and supervise all insurance business related activities.

- a) Role and Responsibilities of the Principal Officer shall include following:
- Complete practical training and examination as required under the Regulations
 - Supervise the Corporate agency activities of the Bank
 - Ensure that SP/ PoSP and other employees are trained and certified, in accordance with the Regulations
 - Ensure compliance with the Code of Conduct prescribed under the Regulations
 - Ensure prospects/customers are not compelled to buy insurance product being offered along with the Bank’s products
 - Ensuring correct and timely submission of periodic returns to IRDAI in the prescribed format
 - Submission of application to IRDAI for issuance/renewal of certificate to act as SP/ PoSP in accordance with the Regulation.
 - Defining adequate steps for redressal of grievances
 - Maintenance of records as prescribed under the Regulations
 - Co-ordination with IRDAI and insurance companies in day to day matters
 - Any other such duties or obligations as may be prescribed by IRDAI from time to time
- b) Role and Responsibilities of SP/ PoSP /other employees shall include following:
- To complete practical training and examination as required under the Regulation
 - Ensure compliance with the Code of Conduct prescribed under the Regulations
 - Not to compel prospect/customer to buy an insurance product being offered along with the Bank’s products
 - To provide due support and guidance to policyholders at the time of procuring/solicitation of policies and in policy servicing, claims and grievance related matters
 - Ensure adequate and timely support to Principal Officer/Directors/Management in order to fulfil the obligations under the Regulations
 - Any other such duties or obligations as may be prescribed by IRDAI from time to time
- c) Role and Responsibilities of Management and Directors shall include following:
- Ensure compliance with the Code of Conduct prescribed under the Regulations
 - Disclosure of all material facts to the IRDAI as required under the Regulations
 - Ensure there is no conflict of interest between various entities within the Group



V. REMUNERATION

The Bank shall make payment of applicable fees for registration and renewal to the appropriate authority in the manner stipulated in the Regulations.

The Bank shall not receive any signing fee or any other charges by whatever name called, except those permitted by IRDAI for becoming Corporate Agent of any insurer. Any of the Bank's employees including designated Principal Officer and employee holding a valid certificate issued by IRDAI to act as a SP/ PoSP, shall not receive or contract to receive any incentives (cash or non-cash) from any of the insurance companies.

VI. Transparency and Disclosures

- (a) The bank should not follow any restrictive practices of forcing a customer to either opt for products of a specific insurance company or link sale of such products to any banking product. It should be prominently stated in all publicity material distributed by the bank that the purchase by a bank's customer of any insurance products is purely voluntary, and is not linked to availment of any other facility from the bank.
- (b) Further, the details of fee/ brokerage received in respect of insurance broking/agency business undertaken by them should be disclosed in the 'Notes to Accounts' to their Balance Sheet."

References

This policy has been drafted with reference to the following:

- IRDAI (Registration of Corporate Agents) Regulations, 2015
- IRDAI (Protection of Policyholder's Interests) Regulations, 2002
- Insurance (Amendment) Act, 1938
- IRDA Act, 1999
- Any other applicable regulation or statute for the time being in force

Policy and Interpretations

- The Bank shall endeavor to reinforce the internal control system so that it can make appropriate solicitation in compliance with any laws and regulations that relate to the business and operations of the insurance related activities of the Bank.



- The Bank intends to provide customers with appropriate information through need analysis so that customers can conduct transaction with the Bank with complete information and his/her own judgment.
- Upon adoption of this policy, all present arrangements and processes related to insurance business related activities such as solicitation, servicing, grievance management etc. shall be reviewed and either reaffirmed or discontinued, as the case may be.
- The above constitutes the entire policy on solicitation, servicing, grievance management, claims management and open architecture adopted by the Bank.
- This policy shall become effective from 1st April, 2016 and shall be administered by the Principal Officer of the Bank, which will be adequately strengthened for this purpose.

VII. Requirement of Professional Indemnity Insurance Policy

- If the revenue from Insurance intermediation is more than fifty percent of the total revenue, the bank shall maintain professional indemnity insurance cover throughout the validity period of the corporate agency registration
- The limit of indemnity shall be two times the total annual remuneration of the Bank derived from Insurance intermediation activities in a year subject to a minimum of Rupees fifteen lakh and a maximum of Rupees one hundred crore

Exceptions to Policy

- The Bank recognizes that there are activities associated with the performance of one's official duties as an employee of the Bank which involve activities related to insurance business, as specified above. Nothing herein shall be construed as prohibiting activities which are inherent to the execution of one's duties and which are performed in an official capacity for the Bank.
- Extenuating circumstances may justify exceptions to this policy. Requests for such exceptions and justifications should be made in writing and forwarded to the Managing Director.



Annexure A
Code of Conduct

I. General Code of Conduct:

1. Every corporate agent shall follow recognized standards of professional conduct and discharge their duties in the interest of the policyholders.

While doing so -

- a) Conduct its dealings with clients with utmost good faith and integrity at all times;
- b) Act with care and diligence;
- c) Ensure that the client understands his relationship with the corporate agent and on whose behalf the corporate agent is acting;
- d) Treat all information supplied by the prospective clients as completely confidential to themselves and to the insurer(s) to which the business is being offered;
- e) Take appropriate steps to maintain the security of confidential documents in their possession;
- f) No director of a company or a partner of a firm or the chief executive or a principal officer or a SP/ PoSP shall hold similar position with another corporate agent;

2. Every Corporate Agent shall

- a) Be responsible for all acts of omission and commission of its principal officer and every SP/ PoSP;
- b) Ensure that the principal officer and all SP/ PoSP are properly trained, skilled and knowledgeable in the insurance products they market;
- c) Ensure that the principal officer and the SP/ PoSP do not make to the prospect any misrepresentation on policy benefits and returns available under the policy;
- d) Ensure that no prospect is forced to buy an insurance product;
- e) Give adequate pre-sales and post-sales advice to the insured in respect of the insurance product;
- f) Extend all possible help and cooperation to an insured in completion of all formalities and documentation in the event of a claim;
- g) Give due publicity to the fact that the corporate agent does not underwrite the risk or act as an insurer;
- h) Enter into agreements with the insurers in which the duties and responsibilities of both are defined.

II. Pre-sale Code of Conduct

3. Every corporate agent or principal officer or a SP/ PoSP shall also follow the code of conduct specified below:

- (i) Every corporate agent/ principal officer/specified person shall,



- a) Identify himself and disclose his registration/certificate to the prospect on demand;
 - b) Disseminate the requisite information in respect of insurance products offered for sale by the insurers with whom they have arrangement and take into account the needs of the prospect while recommending a specific insurance plan;
 - c) Disclose the scales of commission in respect of the insurance product offered for sale, if asked by the prospect;
 - d) Indicate the premium to be charged by the insurer for the insurance product offered for sale;
 - e) Explain to the prospect the nature of information required in the proposal form by the insurer, and also the importance of disclosure of material information in the purchase of an insurance contract;
 - f) Bring to the notice of the insurer any adverse habits or income inconsistency of the prospect, in the form of a Confidential Report along with every proposal submitted to the insurer, and any material fact that may adversely affect the underwriting decision of the insurer as regards acceptance of the proposal, by making all reasonable enquiries about the prospect;
 - g) Inform promptly the prospect about the acceptance or rejection of the proposal by the insurer;
 - h) Obtain the requisite documents at the time of filing the proposal form with the insurer; and other documents subsequently asked for by the insurer for completion of the proposal;
- (ii) No corporate agent/ principal officer / specified person shall,
- a) Solicit or procure insurance business without holding a valid registration/ certificate;
 - b) Induce the prospect to omit any material information in the proposal form;
 - c) Induce the prospect to submit wrong information in the proposal form or documents submitted to the insurer for acceptance of the proposal;
 - d) Behave in a discourteous manner with the prospect;
 - e) Interfere with any proposal introduced by SP/ PoSP or any other intermediary
 - f) Offer different rates, advantages, terms and conditions other than those offered by the insurer;
 - g) Force a policyholder to terminate the existing policy and to effect a new proposal from him within three years from the date of such termination;
 - h) No corporate agent shall have a portfolio of insurance business from one person or one organization or one group of organizations under which the premium is in excess of fifty percent of total premium procured in any year; become or remain a director of any insurance company, except with the prior approval of the Authority;
 - i) Indulge in any sort of money laundering activities;
 - j) Indulge in sourcing of business by themselves or through call center by way of misleading calls or spurious calls;
 - k) Undertake multi-level marketing for soliciting and procuring of insurance products; engage untrained and unauthorized persons to bring in business
 - l) Provide insurance consultancy or claims consultancy or any other insurance related services except soliciting and servicing of insurance products as per the certificate of registration.



- m) Engage, encourage, enter into a contract with or have any sort of arrangement with any person other than a SP/PoSP, to refer, solicit, generate lead, advise, introduce, find or provide contact details of prospective policyholders in furtherance of the distribution of the insurance product;
- n) Pay or allow the payment of any fee, commission, incentive by any other name whatsoever for the purpose of sale, introduction, lead generation, referring or finding to any person or entity

III. Post-Sale Code of Conduct

4. Every Corporate Agent shall -

- a) Advise every individual policyholder to effect nomination or assignment or change of address or exercise of options, as the case may be, and offer necessary assistance in this behalf, wherever necessary;
- b) With a view to conserve the insurance business already procured through him, make every attempt to ensure remittance of the premiums by the policyholders within the stipulated time, by giving notice to the policyholder orally and in writing.
- c) Ensure that its client is aware of the expiry date of the insurance even if it chooses not to offer further cover to the client;
- d) Ensure that renewal notices contain a warning about the duty of disclosure including the necessity to advise changes affecting the policy, which have occurred since the policy inception or the last renewal date;
- e) Ensure that renewal notices contain a requirement for keeping a record (including copies of letters) of all information supplied to the insurer for the purpose of renewal of the contract;
- f) Ensure that the client receives the insurer's renewal invitation well in time before the expiry date.
- g) Render necessary assistance to the policyholders or claimants or beneficiaries in complying with the requirements for settlement of claims by the insurer;
- h) Explain to its clients their obligation to notify claims promptly and to disclose all material facts and advise subsequent developments as soon as possible;
- i) Advise the client to make true, fair and complete disclosure where it believes that the client has not done so. If further disclosure is not forthcoming it shall consider declining to act further for the client;
- j) Give prompt advice to the client of any requirements concerning the claim;
- k) Forward any information received from the client regarding a claim or an incident that may give rise to a claim without delay, and in any event within three working days;
- l) Advise the client without delay of the insurer's decision or otherwise of a claim; and give all reasonable assistance to the client in pursuing his claim.
- m) Shall not demand or receive a share of proceeds from the beneficiary under an insurance contract;



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- n) Ensure that letters of instruction, policies and renewal documents contain details of complaints handling procedures;
- o) Accept complaints either by phone or in writing;
- p) Acknowledge a complaint within fourteen days from the receipt of correspondence, advise the member of staff who will be dealing with the complaint and the timetable for dealing with it;
- q) Ensure that response letters are sent and inform the complainant of what he may do if he is unhappy with the response;
- r) Ensure that complaints are dealt with at a suitably senior level;
- s) Have in place a system for recording and monitoring complaints.