



**RAHEJA
QBE**

Policy for payment of commission or reward to Insurance Agent and
Insurance Intermediaries

Document Control

Policy Reference: Insurance Regulatory and Development Authority of India (Expenses of Management, including Commission, of Insurers) Regulations, 2024

Policy Name: Policy for payment of commission or reward to Insurance Agent and Insurance Intermediaries

Policy Owner: Chief Distribution Officer

Frequency of Review: Annual

Approval: RQBE Board

Points of contact: Siddhartha Anand

Date of Approval: July 31, 2025

Version Control:

Version	Date	Updated by	Description
1.2	23-05-2017	Rakesh Sharma	Modification to Policy based on clarification dated March 30, 2017
1.2	20-02-2018	NA	Policy reviewed and approved by the Board without any modifications
1.3	21-01-2019	Rajeev Dogra	Modification to Policy based on regulation issued
1.4	22-05-2020	Rajeev Dogra	Included criteria for payment of rewards and modified policy pursuant to IRDAI circular dated 3.4.2020.
1.5	18-01-2021	Rajeev Dogra	i. Addition of clause on "Applicability against solicitation of certain products." ii. Addition on clause on "Ground and manner of termination, suspension and cancellation of appointment of insurance agents and insurance intermediaries."
1.6	April 19, 2021	Rajeev Dogra	Modification of clause on " <u>Reward to individual insurance agent or insurance intermediary by insurers</u> "
1.7	January 13, 2022	Rajeev Dogra	Policy reviewed and approved by the Board without any modifications
1.8	April 24, 2022	Rajeev Dogra	The Reward scheme for the Financial Year 2022-23 has modified and no reward shall be paid on Group Health Products, rest of the changes are made for better clarity.
1.9	December 29, 2022	Rajeev Dogra	Policy reviewed and approved by the Board without any modifications
2.0	June 21, 2023	Siddhartha Anand	Modification pursuant to the IRDAI (Payment of Commission) Regulations, 2023 dated March 26, 2023
2.1	October 25, 2023	Siddhartha Anand	i. Addition of para below the table on 'Fire & Engineering & Associated Risk – Cat A Cities (Mumbai, Delhi, Bangalore, Chennai) ii. Addition of Clause 1 & 2 under the manner and conditions regarding payment of rewards to Insurance Distributors for the financial year 2023-24 are as follows iii. Modification of Clause 11 by addition of the below underlined as under "The manner and conditions regarding payment of rewards to Insurance Distributors for the

			financial year 2023-24
2.2	January 28, 2024	Siddhartha Anand	i. Change of commission Rates in Table 3. For other than 2 wheelers ii. Addition of Clause 4 & 5 under “The manner and conditions regarding payment of rewards to Insurance Distributors for the financial year 2023-24” iii. Rephrasing of clause no 13 under “The manner and conditions regarding payment of rewards to Insurance Distributors for the financial year 2023-24” iv. Table for Affinity/Deal specific rewards incorporated under both liability & Fire Engineering in order to avoid any ambiguity.
2.3	May 2, 2024	Siddhartha Anand	1. Addition of Line of Business in rates under Clause 3 of “Commission to Insurance Distributors” 2. Modification of below para below the table on Reward to Insurance Distributors 3. Addition of clause No. 4, 5, 10, 11, 12, 13 & 14 under “The Manner and conditions regarding payment of rewards to insurance distributors
2.4	January 27, 2025	Siddhartha Ananda	Policy reviewed and approved by the Board without any modifications
2.5	March 25, 2025	Siddhartha Anand	Changes in the Rewards structure for Liability and Fire & Engineering LOB
2.6	July 17, 2025	Siddhartha Anand	1. Addition of the maximum commission payable under General Insurance (Motor) products offered for Standalone Own Damage 2. Addition of clause no. 4 after clause no. 3 under ‘The manner and conditions regarding payment of rewards to Insurance Distributors’ as under 3. Addition of clause no. 9 after clause no. 8 under ‘The manner and conditions regarding payment of rewards to Insurance Distributors’ as under 4. Addition in clause no. 14 as underlined below 5. Addition in clause no. 14 as underlined below

Short Title, Commencement and Scope:

- i. This policy may be called "Policy for payment of commission or reward to Insurance Agent and Insurance Intermediaries" (hereinafter referred to as "Commission Policy").
- ii. Commission Policy will be effective from 1st August 2025.

Objectives

The purpose of this policy is to:

- (i) Align the distributors with the business strategies of the company from time to time.
- (ii) Encourage efficient and cost-effective distribution.
- (iii) Promote product innovation, process innovation including distribution of insurance solutions to increase insurance penetration in India.
- (iv) build capacity of insurance distributors through adequate learning and development programmes.
- (v) Utilize service of Insurance Distributors considering the following:
 - 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 business strategy.
 - brings cost efficiencies in the conduct of business and simplification of the administration of insurance business; and
 - gives an indication on the relative degree of importance placed on each of the above.

Definitions

1. "The Authority" means Insurance Regulatory & Development Authority of India (IRDAI)
2. "The Company" means Raheja QBE General Insurance Company Limited
3. "Commission " means any compensation including remuneration paid to and received by an insurance agent /Intermediary/ insurance intermediary from the Company for soliciting and procuring an insurance policy.
4. "Insurance Distributors" means Insurance Agents, Intermediary, Insurance Intermediary or any person or entity authorized under the law to distribute, solicit, procure or transact insurance business and services for and on behalf of the Company.
5. Total Brokerage" refers to the combined payment of Commission and Rewards made to an intermediary
6. "Reward" means the amounts paid, whether directly or indirectly, as an incentive by whatever name called by an insurer to Insurance Distributors.

Scope

- The Commission Policy shall be applicable not only to insurance products but also to all services allowed by the Authority from time to time.
- This Policy shall not be applicable against solicitation of insurance products that the Insurance Distributors have not been advised/directed to undertake by the Company. The restrictions on solicitation of certain insurance products shall apply in accordance with the provisions of regulations/circulars as may be issued by the Authority from time to time.

Maximum Limit of the Commission and Rewards Payable

The total amount of commission and/or rewards payable shall be less than the limit of expense of management as per the Expense of Management Policy and the board approved business plan of the Company for the respective financial year.

Commission to Insurance Distributors

The commission to be paid to an Insurance Distributors shall be decided, as under: -

1. The maximum commission payable under Health Insurance Products is given as below:

S. No	Line of business	Maximum Commissions / Remuneration
1	Health-Individual (include Annual, Premium, 3 years Single Premium and 3 years Regular Premium)	15%
2	Health-Group (Employer-Employee only) – Annual	7.50%
3	Health-Group (Non-Employer-Employee groups – not formed solely for availing insurance as defined in IRDA Group Guidelines of 14 th July 2005) -Annual	15%
4	Health – Group (credit linked upto 5 years)	15%

2. The maximum commission payable under General Insurance (other than Motor) products offered is given as below:

S. No	Line of business (Other than Motor)	Maximum Commission payable to Insurance Distributors
1	Fire-Retail	16.50%
2	Fire-Corporate (Risks with S.1. < Rs 2,500 crs)	11.50%
3	Fire-Corporate (Risks with S.1. > Rs 2,500 Crs.)	6.25%
4	Marine-Cargo	16.50%
5	Marine-Hull	11.50%
6	Miscellaneous-Retail	16.50%
7	Miscellaneous – Corporate/ Group	12.50%
8	Miscellaneous – Corporate (Engineering Risks with S.1. > Rs 2,500 Crs.)	6.25%

3. The maximum commission payable under General Insurance (Motor) products offered is given as below.

S. No.	Line of business	Maximum Commission payable to Insurance Distributors	
		Other than 2-wheeler	2-wheeler
1	Motor (Comprehensive)	19.5%	17.5%
2	Standalone Third Party	19.5%	15%
3	Misc. D	19.5%	NA
4	Passenger Carrying Vehicle	19.5%	NA
5	Stand Alone Own Damage	19.5%	17.5%

4. The maximum commission and rewards to the Insurance Distributors for Long Term Motor Insurance Policies is given as below:

S. No.	Types of Long-Term Motor Insurance Policies	Max Commission/ remuneration payable to Insurance Distributors	Maximum Rewards
1	Bundled cover with one-year term for own damage and 5 years motor third party insurance policy for new 2 – wheelers	19.5%	Up to 45% of the premium
2	Bundled cover with one-year term for own damage and 3 years motor third party insurance policy for new private car	19.5%	Max. Up to 65% of the premium

Reward to Insurance Distributors

Liability	
Slab	Maximum Reward Payout (% of Premium)
<i>Brokers with Foreign Direct Investment of more than 74%</i>	
25 Lacs – less than 50 Lacs	3.75%
50 Lacs – less than 1 Cr	5.00%
1 Cr – less than 2 Cr	7.50%
2 Cr – less than 3 Cr	8.75%
3 Cr & Onwards	12.50%
<i>Category A (Defined by C&R Committee Basis the Historic Volume)</i>	
25 Lacs – Less than 50 Lacs	3.75%
50 Lacs – Less than 1 Cr	5.00%
1 Cr – Less than 2 Cr	7.50%
2 Cr – Less than 3 Cr	10.00%
3 Cr – less than 4 Cr	11.25%
4 Cr & Onward	12.50%

<i>All Other Brokers</i>	
5 lacs – Less than 10 Lacs	6.25%
10 Lacs – Less than 25 Lac	10.00%
25 Lacs – Less 50 Lacs	11.25%
50 Lacs & Onwards	12.50%

<i>Employee's Compensation</i>	
2.5 lacs – Less than 5 Lacs	5.00%
5 Lacs – Less than 15 Lac	12.50%
15 Lacs – Less 25 Lacs	15.00%
25 Lacs – Less than 50 Lacs	20.00%
50 Lacs & Onwards	22.50%

<i>Affinity & or Deal Specific – Basis historic Loss Ratio & or Nature of Business / Segment – Maximum Rewards</i>	
5 Lacs & Onward	42.50%

Fire & Engineering along with all Associated Class:

Brokers Categorize as A (basis historic Data & as classified by CRC) and MNC broker (Foreign Direct Investment of more than 74%)	
Slab	Maximum Reward Pay-out (% of Premium)
0 – 15 Lacs	Nil
15 – Less than 25 Lacs	16.00%
25 – Less than 50 Lacs	18.50%
50 Lacs – Less than 1 Cr	21.00%
1 Cr plus	23.50%
All other Broker (not defined as A and MNC)	
Slab	Maximum Reward Pay-out (% of Premium)
0-5 Lacs	Nil
5 – Less than 10 Lacs	16.00%
10 - 15 Lacs	18.50%
15 – 25 Lacs	21.00%
25 Lacs onward	23.50%
Affinity & or Deal Specific – Basis historic Loss Ratio & or Nature of Business	
5 Lacs & Onward	53.50%

The manner and conditions regarding payment of rewards to Insurance Distributors:

1. The commission structure mentioned above is for business on direct basis only. The commission on terrorism shall be 5% and shall not form part of commission rate mentioned above and no reward is payable on terrorism.
2. The total Deduction / Commission (ceding commission Plus Brokerage) in the Facultative business would be maximum of 30% of the premium. The Commission & Reward committee (CRC) headed by Chief Distribution Officer would decide commission/ Deduction on FI business basis quality of business / risk.
3. The Reward payable is independent of the brokerage & is a % of the Premium. The reward mentioned are Maximum that can be paid.
4. Rewards % can be decided basis historic Data both for Liability & Fire/Engineering/Misc. LOB for the partner who are eligible for the same. They can still be eligible for higher rewards basis the current business as per the structure mentioned above. The same would get approved by the Rewards & Commission Committee. For the new partners we would follow the structure mentioned above in table.
5. For all new brokers (got licensed post March 31, 2024) with FDI of more than 74% we would

consider them under “All Other broker” category till the time they have build sustainable business volume with us.

6. In Employee’s Compensation (EC) category of business, we may adopt dual approach. In first approach depending on the EC business of the intermediaries may be offered separate slab for EC business as mentioned in the table (EC) above and for all the other partners the WC would form part of Liability itself and would follow the liability reward structure. The Commission & Reward Committee would Identify and disclose such partner in advance and would be documented in the minutes.
7. The above tables for rewards may not apply for cases where Commission & Reward Committee decides a flat reward structure depending on factors like Loss ratio, Type of Transaction & / or preferred occupancies / risk profile. Any exception would be reviewed and approved by The Commission and Reward Committee, headed by the Chief Distribution Officer (CDO) with Vertical Head / Zonal Heads / Branch heads. The committee will convene monthly for / bimonthly this purpose. However, the maximum rewards shall not exceed the highest reward payable as prescribed above for respective product category.
8. The commission structure as mentioned above may not apply for cases where the business is booked as co-insurance, and we are the follower. In such cases the commission would be booked the same as leader. The rewards may be adjusted in such cases and hence reward % would not be the same as per the table above however Total Brokerage (Commission + Rewards) would be the in same level as promised to the broker.
9. In line with market requirements, a single consolidated invoice can be raised by combining commission and rewards, with the payment processed under the heading ‘Total Brokerage’. While the invoice will not separately reflect commission and rewards, we will maintain distinct internal accounting for both components.
10. Based on the Company’s business plan and strategy adopted and the market dynamics, historic premium as a criterion, as under, has been found to be most transparent and consistent basis to reward apart from service offering by the Insurance Distributors, for the commercial lines of business however the Commission & Reward Committee in line with the business plan use both the approaches i.e. Historic Data and or Suggested slab to pay rewards.
11. Rewards will not be paid on the following business:
 - a. RI Inward Cases however, it will be considered for calculating premium turnover as per above reward structure for determining rewards slab.
 - b. Rewards in Policies written with facultative support would depend on the agreement at the time of placement.
 - c. Cases where lower brokerage has been negotiated unless specially agreed upon.
 - d. Cases where services like risk inspection, valuation, thermography etc. are arranged by us, unless specially agreed upon.
 - e. If the shortfall of 1 LOB is offset by the other LOB, the agreed rewards on the LOB having shortfall may be given basis the review and decision of the Reward Committee (Only applicable to Property & Liability LOB’s).
12. Reward shall be calculated separately for health and other than health insurance for Insurance Distributors respectively and not linked to every policy sourced. For retail Health product, the Company shall pay maximum reward of 55% of premium to Insurance Distributors.
 - a. The Company shall pay maximum reward of 55% of Premium in Group Health & PA Products depending on nature/Type of deal, the risk premium & preferred risk.

13. The company shall pay maximum rewards of 55% of the premium in Retail Commercial policies like (dwelling, BGR etc.) depending on nature/Type of deal, the risk premium and preferred risk. The above-mentioned slab for Commercial policy would not apply on this class of product and would be decided by the Commission & Rewards Committee.
14. The Company can pay maximum Reward of 55% of the premium for vehicle class mentioned under Table 3 to all Insurance Distributors other than on long term motor insurance policy as mentioned under Table 4 above. This may apply on Stand Alone Own damage and Stand Alone third-Party section individually also.
15. Point no 1 under table 3 includes vehicle class i.e., Private Car & Goods Carrying Vehicle
16. For all the other new product / package product not mentioned above the commission & rewards would be decided basis the market dynamics and the same shall not exceed the total of 70% of Premium amount. The same would be reviewed and approved by Commission & Reward Committee.
17. The compensation / remuneration / brokerage to the distributor has been divided into 2 heads, namely Commission & Rewards. The commission structure would be reviewed by the local Area Manager, in discussion with Chief Distribution Officer, in line with the philosophy of the fairness and transparency. The same would be communicated to the distributor in advance and paid from time to time.
18. The basis of devising the reward strategy could revolve around market dynamics, broker performance (historically & Current), nature/type of business, risk premium and the quality of business apart from the services like Risk Assessment analysis, Gap Analysis, data Management etc. which the Insurance Distributor provides to the Company from time to time.
19. Other than the monetary incentives paid as rewards, based on approval of the Commission & Reward Committee, the Company may:
 - declare and pay non-cash rewards to promote constructive competition amongst Insurance Distributors in the form of rewards and recognition programs, gifts and presents, trips and accolades etc.
 - spend on the welfare of the Insurance Distributors by undertaking their cost towards personal and family benefits such as gratuity, term insurance cover, Group Insurance Covers etc. The Commission & Reward Committee can also extend assistance by bearing their cost towards telephone charges, office allowances, Sales promotion activities such other items and activities.
 - Encourage them to equip themselves with the knowledge to and undertake activities such as risk analysis, GAP analysis, Plan, Design, predictive modelling, data management, infrastructure, advertisement, and such other items. The Company may bear the cost of such activities and reward the deserving appropriately.

Manner and conditions regarding transfer of orphan policies

The Company shall put up appropriate process and procedures for transfer and servicing of Orphan Policies in case of death of or cancellation / termination / suspension of appointment of an Insurance Distributors.

In the event any Insurance Distributors dies whilst active, the outstanding commission/remuneration/rewards as has accrued to the credit of the agent/ intermediary would paid to his legal heir/ representative as per due legal process.

Suspension/ termination/ cancellation of appointment of Insurance Distributors

The Company shall put an appropriate process and procedures to carry out disciplinary proceedings

against Insurance Distributors for reasons including but not limited to misconduct, resulting in suspension and / or termination and / or cancellation of their appointment and / or engagement for an and on behalf of the Company.

However, before making any such decision, the Company shall offer such Insurance Distributors appropriate opportunity of being heard.

Submission of Returns on payment of Commission by the insurer:

(a) Within 45 days of the expiration of each financial year, the Company shall submit to the Authority the Board approved returns on payment of commission by the insurer to the Insurance agent, Intermediary or Insurance intermediary, in the format as may be specified by IRDAI from time to time.

(b) These returns shall be reviewed by the Audit Committee prior to being placed for approval of the Board of the insurer.

Maximum Commission payable for any financial year under this policy will not exceed the overall limit specified in the Expense of Management Policy of the respective year.

Annual Review

The Board of Directors of the Company shall review this Policy every year. A report on the performance and compliance of the Commission and Rewards Structure shall be placed before the senior management and Board of Directors periodically.