



**The Nasik Merchants  
Co-op Bank Ltd.**

**Policy for Insurance  
Business Solicitation  
and Servicing  
2026-27**

By \_\_\_\_\_  
**Accounts Department**



## Accounts Department

### Policy on Insurance Business Solicitation and Servicing


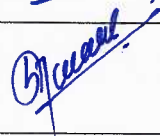

#### I. POLICY APPROVAL.

|                          |               |
|--------------------------|---------------|
| Resolved in BoD Meeting. |               |
| Date                     | Resolution No |
| 27/03/2026               | 32            |

#### II. PERIOD OF POLICY.

|  |
|--|
| Period of Policy.  |
| With effective from 01/04/2026 and will be reviewed in the month of March 2027<br>However, will be modified, changed as & when needed. |

#### III. SIGN OFF.

|   |  |
|---|--|
| Shri. Gurappa Savkar<br>Assistant General Manager<br>Chief Accountant |   |
| Shri. Santosh Jadhav<br>Chief Compliance Officer                      |   |
| Shri. Trigun Kulkarni,<br>Chief Executive Officer                     |  |

#### IV. Distribution.

|    |                |
|----|----------------|
| 01 | All Branches   |
| 02 | All HODs at HO |



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### **Policy on Insurance Business Solicitation and Servicing**

#### **1. Introduction and overview:**

The purpose of this Policy is to define a framework for solicitation and servicing of insurance business and to define a control structure for supervision of these activities.

This Policy shall also lay down the factors that need to be considered for adoption of the philosophy of Open Architecture as envisaged in IRDAI (Registration of Corporate Agency Regulation), 2015 in line with the mission, vision and business strategy of The Nasik Merchants Co-operative Bank Ltd. Nashik.

#### **2.Scope of Policy:**

This policy shall apply to all the personnel and staff of The Nasik Merchants Co-operative Bank Ltd. Nashik. The policy will also cover the contractual relationships entered by The Nasik Merchants Co-operative Bank Ltd. Nashik and having direct or indirect relation and or impact to any of the insurance business related activity of the bank. The said point is cover in Byelaws of bank point no 5 Objects sub point no. xxxii. As per RBI circular and clarification letter received from RBI dated January 17, 2018, RBI's prior permission is not required to undertake an agency for insurance business as a corporate agent without risk participation. Bank can apply to IRDA for corporate agency as per present guidelines.

#### **3. Insurance Arrangements:**

The IRDAI has issued notification of new regulations which advises board to review and formulate the Bank's "open architecture" and provides for tie-up with 9 companies in Life, 9 companies in General and 9 companies in Health.

#### **4. Life Insurance Business, General Insurance Business and Health Insurance Business Prospective:**

Our Bank has a customer base of 4,67,608 customers as on date 28-2-2026. The Life Insurance business can be expanded if we have more partners because of the following reasons:

- a) Customers will have a wider choice of products and brands.
- b) The presence of more partners will enable us to reach out to location strength of Insurers.
- c) Different insurance companies may specialize in different ranges of market and customer segments enabling better reach to our customers.

The Nasik Merchants Co-operative Bank Ltd. Nashik shall register as a Corporate Agent



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Life / General (Composite) in accordance with the Regulations for Solicitation and Servicing insurance policies. The Nasik Merchants Co-operative Bank Ltd. Nashik would have arrangements with more than one insurance company in all the categories of insurance business, i.e., life, general and health to leverage its relationship as a platform for cross-selling insurance products along with its numerous company product packages such as housing loans, personal loans, car loans, saving accounts, etc.

### **5. Insurance arrangements would be finalized based on the following factors:**

- i. Insurers specializing in different segments of products and catering to the needs of this wide customer base would be ideal for partnership.
- ii. Brand value and market reputation of the insurance companies
- iii. Experience in designing and managing products catering to the needs of the customer base of The Nasik Merchants Co-operative Bank Ltd. Nashik.
- iv. Penetration levels and geographical presence of the insurer across the country, number of points of presence.
- v. Assets Under Management.
- vi. Market Share.
- vii. Persistency, Claim and Complaints Ratio.
- viii. Operational services and IT support.
- ix. Claim settlement ratio is not less than 90%.
- x. Network of tie up hospitals.

We wish to leverage upon the new concept of open architecture proposed by the insurance regulator and build relationships with insurance companies for a better business prospective. The above-mentioned criteria are applicable for all types of insurance products and the insurance companies are selected after analysis of the above-mentioned points. The detailed note covering the above points will be placed before the board meeting and approval will be obtained from the board.



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### 6. Product Mix:

We shall list below categories of insurance products to its customers.

| Category of Business | Type of Products   |
|----------------------|--|
| Life                 | Protections plans, Annuity Plans, Pension Plans etc. and all future plans that caters customer needs of NAMCO Bank.            |
| General              | Motor, Home Insurance, Fire, Marine etc. and all future plans that cater to the customer needs of NAMCO Bank                   |
| Health               | Health, personal accident, Group Health, personal Accident, etc. and all future plans that caters customer needs of NAMCO Bank |

The insurance products shall only be offered as an ancillary product along with principal business products, based on need and financial analysis, no prospect/customer shall be compelled to buy an insurance product being offered along with Bank's products.

### 7. Authority:

The Nasik Merchants Co-operative Bank Ltd. Nashik shall designate an Officer as 'Principal Officer' in accordance with the Regulations. The designated Principal Officer shall have the responsibility to control, manage and supervise all insurance business related activities.

#### **A. Responsibility**

- I) Responsibilities of Management and Directors shall include the 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:
    - a) Various entities within the Group
    - b) Activities with insurers as corporate agents and as promoters
    - c) Maintain the arm's length relationship regarding financial transactions between its activities as Corporate Agent and other activities
- II) Responsibilities of the Principal Officer shall include the following:
- Complete practical training and examination as required under the Regulations
  - Supervise the Corporate agency activities of the Bank.



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- Ensure that Specified Persons 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 products being offered along with Bank's products.
  - Ensure 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 Specified Person, in accordance with the Regulation
  - Define adequate steps for redressal of grievances
  - Maintenance of records as prescribed by IRDAI from time to time
  - Co-ordination with IRDAI and insurance companies in day-to-day matters
- III) Responsibilities of Specified Person shall include the following
- Complete practical training and examination as required under the Regulations
  - Ensure compliance with the Code of Conduct prescribed under the Regulations
  - Ensure prospect/customer are not compelled to buy insurance products being offered along with 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 Officers / Directors in order to fulfill the obligations under the Regulations.

### **B. Solicitation**

- Insurance shall be solicited only by the employees holding a valid certificate issued by IRDAI to act as a Specified person, under the Regulations.
- Ensure prospect/customer are not compelled to buy insurance product being offered along with Name of the Bank products.
- Insurance products shall be offered on the basis of need analysis and financial assessment of the customer.
- Prospect/customer shall not be induced to omit or submit any wrong information in the proposal form.
- The Nasik Merchants Co-operative Bank Ltd., Nashik shall not undertake multilevel marketing for soliciting or procuring insurance products.



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### **C. Remuneration / Commission as banks non-interest income**

We shall receive or contract to receive remuneration or commission from an insurance company only in accordance with the Regulations notified by IRDAI in this regard from time to time and shall disclose remuneration received from insurers as required under the regulations.

Any of the employees of The Nasik Merchants Co-operative Bank Ltd., Nashik, including designated Principal Officer and employees holding a valid certificate issued by IRDAI to act as a Specified person, shall not receive or contract to receive any incentive (cash or non-cash) from any of the insurance companies.

### **D. Sourcing of Business**

Agency module only - Bank will do the third-party insurance business through agency module only.

Set up insurance companies to make available insurance schemes to all branches

### **Reward System-**

**Recognition** - Bank will conduct an internal survey of each branch and will distribute certificates to the branches in its annual review meeting based on the highest business done by the branch.

**Reward-** For encouraging the branches to increase third party insurance business, our designated insurance companies will give reward to the branches in the form of gift or gift coupon based on their performance, which is not part banks internal assessment.

### **E. Servicing**

The Nasik Merchants Co-operative Bank Ltd., Nashik is committed to service its customers during the entire period of the contract in accordance with the procedure defined and implemented by the Principal Officer and as required under the Regulations. Servicing 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 issues which arise during the course of an insurance contract.
- Handling of customer requests, complaints and queries.

### **F. Banks responsibilities**

Banks responsibilities do not include execution of K.Y.C documents, issuing and pricing the policies, settlement of claim etc. However, complaints received from customers are to be handled as per our customer compensation policy and nodal officer Mr. Gangurde Bharat Pandav for the current period will consider all cases of complaints on merit.

### **8. Risk involved in Insurance Business:**

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While going onwards for insurance business there are certain business risks involved in it.

These risks are as under:

- i. Market risk for Unit Linked policies: Market risk is arising due to changes in equity prices or commodity prices, interest rate movement or foreign exchange fluctuations. In respect of ULIP this risk will remain but not impact bank directly unless customer grievance. To mitigate the same bank will take almost precaution and will select customer who has willing to take market risk under U-lip plans.
- ii. Operational risk: Operational risk is the risk caused by flawed or failed processes, policies, systems or events that disturb business operations. The major factors that matter for operational risk are working people, working process, work system, external events and legal compliances.
- iii. Mis-selling of products: This type of risk cause by selling of products to customers without any analysis of his / her basic need, risk bearing capacity, income and premium paying capacity.
- iv. Loss of faith or reputational risk: The loss of faith of reputational risk is a threat or danger to the good name of the bank. This risk can occur directly as a result of the actions taken by the insurance company or due to actions of an employee or dis-satisfactory services.

#### **9. Remedies to be taken to avoid the risks:**

- i. Bank should concentrate on the sale of only traditional products and terms insurance plans. The sale of market-linked products should be avoided. It will be underwritten only at the request of the customer. Here the bank and insurance company will give full disclosures of the product.
- ii. Bank should set proper procedure for sale of insurance products and training should be provided to employees regarding insurance products.
- iii. Proper analysis of income and risk-bearing capacity of customer should be analyzed before offering insurance products. Proper record of accepting policy shall be maintained by insurance company to avoid claims of Mis-selling.

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iv. Bank should ensure dedicated process and persons for claims settlement of insurance.

Bank should co-ordinate with employees of insurance companies for the best service.

#### **10. Grievance Redressal Mechanism:**

The Nasik Merchants Co-operative Bank Ltd., Nashik grievance redressal mechanism shall be enhanced to address the concerns raised by the policy holders relating to their insurance policies. Insurance products come with a lot of caveats which must be explained to prospective customers so that customers take informed decisions and do not face any hurdles at the time of taking benefits out of his/her insurance policy. Under grievance redressal mechanism customers will be allowed to approach any the officers or call centers of The Nasik Merchants Co-operative Bank to register a complaint.

- All complaints will be recorded in the complaints system / register and due acknowledgement will be issued to customers with unique reference number for tracking of complaints
- All the personnel across The Nasik Merchants Co-operative Bank Ltd., Nashik, who directly or indirectly deal with customers, will be provided with training to handle insurance-related complaints.
- The complaints of the customers will be duly reviewed and if required, investigated suitably and adequately.
- Customer will be duly responded with review or investigation findings within the prescribed regulatory timeliness along with information regarding escalation matrix.
- As and when required, a complaint will be dealt with at the appropriate senior level of The Nasik Merchants Co-operative Bank Ltd., Nashik for a timely and proper resolution. However, bank's responsibility is restricted only to addressing awareness and decision on the same will be the responsibility of insurance company. In case of contentious queries, the bank will ask the customer to lodge a complaint on portal of insurance ombudsman of the insurer.

#### **11. Maintenance of records and Reporting Requirements:**

- The Nasik Merchants Co-operative Bank Ltd., Nashik shall maintain all records and furnish periodic reports / returns to IRDAI as prescribed under the Regulations.
- The Nasik Merchants Co-operative Bank Ltd., Nashik shall share all such information with the Insurer, as may be required in relation to the insurance business undertaken by The Nasik Merchants Co-operative Bank Ltd., Nashik.

#### **12. References:**

This policy has been drafted with reference to the following:

- IRDAI (Regulations of Corporate Agents), Regulations, 2015



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- IRDAI (Protection of Policy Holders' Interest) Regulations, 2002
- Insurance (Amendment) Act, 1938
- IRDA Act, 1999
- RBI Guidelines issued vide circular dated January 24, 2005, May 15, 2008, and December 3, 2009, respectively.

### 13. Policy and Interpretations:

- The Nasik Merchants Co-operative Bank Ltd., Nashik 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 Nasik Merchants Co-operative Bank Ltd., Nashik.
- The Nasik Merchants Co-operative Bank Ltd., Nashik intends to provide customers with appropriate information through need analysis so that customers can conduct transactions with The Nasik Merchants Co-operative Bank Ltd., Nashik with complete information and his/her own judgment.
- The Policy shall become effective April 1, 2026, and shall be administered by the Principal Officer of The Nasik Merchants Co-operative Bank Ltd., Nashik
- 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.
- Interpretations of the above shall be the responsibility of the Principal Officer of The Nasik Merchants Co-operative Bank Ltd., Nashik.

### 14. Exceptions to Policy:

- The Nasik Merchants Co-operative Bank Ltd., Nashik recognizes that there are activities associated with the performance of one's official duties as an employee of the Bank which involves activities related to insurance business as specified above. Noting herein shall be constructed as prohibiting activities which are inherent to the execution of one's duties and which are performed in an official capacity of The Nasik Merchants Co-operative Bank Ltd., Nashik.
- Extenuating circumstances may justify exceptions to this policy requests for such exceptions and justifications should be made in writing and forwarded to the topmost officials of The Nasik Merchants Co-operative Bank Ltd., Nashik.

\*\*\*\*\*THE END\*\*\*\*\*