



CONSULTATION PAPER ON PROPOSED IFSCA (Managing General Agents) Regulations, 2026

Objective:

The objective of this consultation paper is to seek comments from the public and stakeholders on the proposal to establish a comprehensive framework for the registration, operation, and supervision of Managing General Agents (MGAs) in the IFSC through proposed IFSCA (Managing General Agents) Regulations, 2026 (hereinafter referred to as MGA Regulations).

Background:

1. The International Financial Services Centres Authority (IFSCA) has been taking various measures to promote ease of doing business, deepen market infrastructure, and strengthen the ecosystem in the International Financial Service Centre (IFSC).
2. Recognizing the evolving global insurance landscape, the IFSCA aims to introduce a dedicated regulatory framework for MGAs to act as specialized intermediaries with delegated authorities from insurers.
3. The proposed regulations recognize the MGA as a standalone intermediary category possessing delegated underwriting and claims authority.
4. This move is intended to align the IFSC with international best practices and provide a robust legal structure for solicitation, specialized underwriting and claims management services within the jurisdiction.
5. The proposed framework defines the eligibility criteria, capital requirements, and fit-and-proper standards for entities seeking registration as MGAs in the IFSC. It outlines the scope of delegated authorities, specifically focusing on underwriting, premium collection, and claims settlement functions. These regulations also propose to supersede the joint-registration framework and all provisions relating to MGA previously specified in the Third Schedule of the IFSCA (Registration of Insurance Business) Regulations, 2021.
6. The framework mandates governance and compliance standards to ensure that the interests of policyholders and the reputation of the IFSC remain protected.
7. In view of the aforesaid, draft regulations are placed on the website of the IFSCA at <https://ifsc.gov.in/PublicConsultation>. General public and stakeholders are requested to forward their comments / suggestions through e-mail to Insurance Dept. at insurance-dept@ifsc.gov.in with copy to Mr. Bhaskar Khadakbhavi at bhaskar.khadakbhavi@ifsc.gov.in and Nitin Gupta at g.nitin@ifsc.gov.in by 02nd April 2026 in the attached format. It is further requested to provide comments in MS Word or MS Excel format only.



NOTIFICATION
Gandhinagar, the –April 2026

**DRAFT - INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY
(MANAGING GENERAL AGENTS) REGULATIONS, 2026**

IFSCA/2025-26/GN/REG/XXXX - In exercise of the powers conferred under sub-section (1) of Section 28 read with Section 12 and 13 of the International Financial Services Centres Authority Act, 2019, and Section 42D, 42E of the Insurance Act, 1938, the International Financial Services Centres Authority hereby makes the following regulations namely: -

CHAPTER I: PRELIMINARY

1. Short title, commencement and applicability:

- (1) These regulations may be called the International Financial Services Centres Authority (Managing General Agents) Regulations, 2026.
- (2) They shall come into force on the date of their publication in the Official Gazette.

2. Objective - These regulations establish a comprehensive framework for the registration and operation of Managing General Agents (MGAs) which as an insurance intermediary shall possess delegated authority from the foreign insurer(s) for underwriting direct insurance business and settlement of claims.

3. Definitions –

- (1) For the purposes of these regulations, unless the context otherwise requires -
 - (a) ‘**Act**’ means the International Financial Services Centres Authority Act, 2019 (50 of 2019).
 - (b) ‘**Applicant**’ means –
 - (i) a body corporate incorporated outside India, which is registered as an insurance intermediary under these regulations and authorized by foreign insurer(s) pursuant to BAA to manage part of its direct insurance business including solicitation, underwriting risks and/or settling the claims, or
 - (ii) a company incorporated under the Companies Act, 2013 (No. 18 of 2013),



- (c) **‘Authority’** means the International Financial Services Centres Authority established under Sub-section (1) of Section 4 of the Act.
- (d) **‘Binding Authority Agreement’** or **‘BAA’** means a legally enforceable written contract between an MGA and a foreign insurer, under which a foreign insurer authorizes an MGA to act as an agent and to enter into a contract of insurance on its behalf; setting forth the terms, conditions, and limits of the delegated authority to bind insurance risks or settle claims.
- (e) **‘Board of the Applicant’** means a ‘Board’ as defined under the Companies Act, 2013 (No. 18 of 2013) or a body discharging equivalent functions, by whatever name called;
- (f) **‘Certificate’** means a Certificate of Registration granted by the Authority under these Regulations;
- (g) **‘Domestic Tariff Area’** or **‘DTA’** means the whole of India (including the territorial waters and continental shelf) but does not include the areas of the Special Economic Zones;
- (h) **‘Fiduciary Account’** means an insurer wise designated ‘Insurance Account’ maintained with an IFSC Banking Unit (IBU) exclusively for holding premiums and claim settlements.
- (i) **‘Gross Written Premium’** or **‘GWP’** means representing the total amount of premium produced by an MGA on behalf of foreign insurer(s).
- (j) **‘Foreign Insurer’** means a body corporate incorporated under the law of any country outside India and duly registered with its home country regulatory or supervisory authority for transacting direct insurance business.
- (k) **‘International Financial Services Centre’** or **‘IFSC’** shall have the same meaning as assigned to it under section clause (g) of sub-section (1) of section 3 of the Act;
- (l) **‘Managing General Agent’** or **‘MGA’** means an MGA which is registered as an insurance intermediary under these regulations and authorized by foreign insurer(s) pursuant to BAA to manage part of its direct insurance business including solicitation, underwriting risks and/or settling the claims.



- (m) **‘MGA Qualified Person’** or **‘MQP’** means an individual who is an employee or director of the MGA engaged in solicitation and procurement of direct insurance business and who have undergone training and passed the examination as specified by the Authority for them.
 - (n) **‘Net Worth’** shall have the same meaning assigned to it in the Companies Act, 2013 (No. 18 of 2013), comprising paid-up share capital plus reserves created out of profits, less accumulated losses and deferred expenditure.
 - (o) **‘Principal Officer’** or **‘PO’** means a resident individual in the IFSC who is responsible for the overall operation, professional conduct, and regulatory compliance of the MGA.
 - (p) **‘Regulations’** means International Financial Services Centres Authority (Managing General Agents) Regulations, 2026; and
 - (q) **‘Underwrite and / or Underwriting’** means the authority to accept or reject insurance risk or insurance liability on behalf of the foreign insurer.
- (2) Words and expressions used and not defined in these regulations but defined in the Act or Acts mentioned in the First Schedule to the Act or any rules, regulations made thereunder, shall have the same meanings respectively assigned to them in those Acts, rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

CHAPTER II: REGISTRATION AND ELIGIBILITY

4. Registration –

- (1) No person shall act as an MGA or hold themselves out as an MGA in the IFSC without obtaining a Certificate of Registration (CoR) from the Authority under these regulations.
- (2) No person shall act as an MGA and place business with any foreign insurer unless there is in force BAA which sets forth the responsibilities of each party.
- (3) Any person engaging an unregistered MGA for covering the risks in the IFSC shall be liable for regulatory action including but not limited to the penalties as per provisions of the Act or the Insurance Act, 1938.

5. Eligibility for filing an application and grant of registration as an MGA –



- (1) An applicant registered or licensed as MGA in a jurisdiction outside India and desirous of setting up branch office in an unincorporated form in an IFSC shall meet with the following requirements:
 - (a) It holds a valid certificate of registration issued by its home country regulatory or supervisory authority, which is not withdrawn, cancelled or suspended,
 - (b) It has acted as MGA for direct insurance business,
 - (c) It is from a FATF compliant jurisdiction or country.
 - (d) It is registered or certified in a National Regulatory Environment with whom the Government of India has signed Double Taxation Avoidance Agreement; and
 - (e) It has obtained 'No-objection certificate' from its home country regulatory or supervisory body to establish a branch office in IFSC.
- (2) An entity not falling under category mentioned in sub-regulation (1) shall be registered in the IFSC under the Companies Act, 2013 (No. 18 of 2013), which may be promoted by a firm or co-operative society or body corporate incorporated under the law of any country outside India, shall have minimum net worth and paid-up equity capital, as prescribed in regulation 10 these regulations.

6. **Consideration of Application –**

- (1) An applicant seeking registration as an MGA shall make application in the forms as may be specified by the Authority.
- (2) The application form shall be accompanied by such requisite documents and application fees as may be specified by the Authority.
- (3) The Authority while considering an application for MGA shall take into account, all matters which are necessary for carrying out the functions of MGA, including but not limited to the following:
 - (a) Whether the applicant undertakes to fulfill the Capital and Net worth requirements as specified in regulation 10 of these regulations to the satisfaction of the Authority.



- (b) Whether the applicant has the requisite Underwriting and/or claims processing Competence in terms of PO, who is responsible for day-to-day affairs or conduct of MGA and other qualified personnel having necessary qualification and experience as may be specified by the Authority.
 - (c) Whether the PO/ promoters, directors, and KMPs/controlling shareholders are fit and Proper in the manner as specified by the Authority.
 - (d) Whether the applicant has adequate office space, IT systems, and data security protocols within the IFSC to effectively discharge its activities.
 - (e) Whether the issue of certificate of registration to the applicant will be in the interest of policyholders.
- (4) The Authority may specify such additional eligibility conditions as it may deem fit.
 - (5) The Authority may also require an applicant to furnish any additional information and/or clarification and/or documents, as it may deem necessary for the purpose of processing of the application.
 - (6) The applicant shall forthwith bring to the notice of the Authority, on its own, such further information/or clarification, which might have a bearing on consideration of their application.
 - (7) The Applicant entity and its promoters, partners or controlling shareholders shall be from a FATF compliant jurisdiction and comply with international standards set by the FATF to combat money laundering and terrorist financing.
 - (8) Notwithstanding anything contained in these Regulations, the Authority may specify such additional eligibility conditions and may require additional details and information to be submitted by Applicants as it deems fit.
7. **Conditions for grant of registration** – The registration granted to MGA under these regulations shall, *inter-alia*, be subject to the following conditions that:-
- (1) It shall exclusively carry on the business, for which the registration has been granted, in the manner as specified in SCHEDULE-I of these regulations.
 - (2) It shall comply with the provisions of the Insurance Act, 1938, IFSCA Act, 2019 and the Regulations, Circulars, Guidelines and any other applicable instructions issued thereunder from time to time by the Authority.



- (3) It shall comply with relevant Know Your Customer (KYC) and Anti-Money laundering (AML) guidelines as may be issued by the Authority from time to time.
- (4) it shall at all times, holds a valid and subsisting Letter of Approval (LoA) from the Administrator (IFSCA) under the SEZ Act, 2005. The expiry of LoA or failure to renew it in a timely manner may lead to suitable action, including cancellation of the CoR.
- (5) It shall forthwith inform the Authority in writing, if there is any material change in the information already submitted;
- (6) It shall take adequate steps for redressal of grievances of its clients;
- (7) It shall solicit and procure number of insurance policies commensurate with their resources, if applicable.
- (8) It shall maintain records in the format specified by the Authority which shall capture policy-wise details wherein each policy solicited is tagged to the authorised person/s, wherever applicable;
- (9) It shall under no circumstance undertake multi-level marketing for solicitation and procuring insurance business;
- (10) It shall comply with the Code of Conduct as specified in the SCHEDULE-II of these regulations;
- (11) It shall maintain such books of accounts as specified in these Regulations;
- (12) While granting the registration, the Authority may impose additional conditions as it may deem fit.

8. Procedure for issuance of CoR –

- (1) The Authority on being satisfied that the applicant fulfils the conditions as specified under regulation 7 of these regulations shall first issue an in-principle approval to the applicant for compliance with requirements viz, minimum capital infusion, fit and proper requirements of Promoters, Directors, KMPs and qualification and experience requirements, as may be deemed necessary by Authority for issuance of certificate of registration.
- (2) The Authority on being satisfied with the compliance under sub-regulation (1) and also the compliance required to be fulfilled under the provisions of the Act, Rules,



regulations, circulars and guidelines, including professional indemnity policy, suitability training and such other vetting of human capital requirements, may finally issue a certificate of registration as may be specified by the Authority.

- (3) A registration granted under these regulations shall remain in force subject to payment of such annual fee as may be specified by the Authority, until such registration is suspended or cancelled by the Authority, in accordance with such procedure as may be specified by it and the conditions referred to in sub-section (6) of section 42D of the Insurance Act, 1938 (No. 04 of 1938).
- (4) If, after considering the application, the Authority is of the opinion that registration cannot be granted, it shall communicate the deficiencies to the applicant giving it thirty (30) days' time to rectify them.
- (5) If the applicant fails to rectify such deficiencies to the satisfaction of the Authority within the specified time, the Authority may refuse to grant registration and shall communicate the same to the applicant, giving reasons for such refusal.

Provided that no such refusal shall be made by the Authority without giving the applicant an opportunity to make written submissions and personal hearing on the grounds on which the registration is proposed to be refused.

9. Scope of Operations –

- (1) A registered MGA is permitted to perform the activities of direct insurance business within the IFSC and from outside India;
- (2) An MGA shall not solicit direct insurance business from the Domestic Tariff Area (DTA) in India except in accordance with Section 2CB of the Insurance Act, 1938 (No. 4 of 1938);
- (3) No MGA can bind reinsurance (retrocessions) on behalf of the insurer.
- (4) No MGA shall be permitted to transact a class of business, which is not permitted in its certificate as issued by the Authority.
- (5) An MGA shall conduct its business in such foreign currencies other than Indian Rupee as may be specified by the Authority.

CHAPTER III: REQUIREMENTS FOR AN MGA

10. Capital and Net worth Requirements –



- (1) Every MGA incorporated in the IFSC shall maintain a minimum paid-up equity capital or assigned capital, as the case may be, equivalent to USD 5,00, 000 (USD Five Lakh only), which is to be held in an IBU.
- (2) Every MGA shall maintain a Net Worth of minimum equivalent to USD 250,000 or 50% of the minimum paid-up or assigned capital, whichever is higher, at all times.
- (3) The shares of the applicant company held as capital shall not be pledged in any form or manner to secure credit or any other facility and shall at all times be unencumbered.
- (4) The investment in the applicant by the promoters/ shareholders shall be from their owned funds and not from any other sources;

Explanation: For the purpose of these regulations, owned funds do not include funds arranged by way of borrowings or loans.

- (5) In case of shortfall in the net worth, the MGA shall immediately restore the same and report compliance of the same within 15 days;
 - (6) The MGA shall submit to the Authority a paid-up capital and net-worth certificate issued by its statutory auditor on half yearly basis.
11. **Professional indemnity:** The MGA shall purchase and maintain at all times a professional indemnity insurance cover as specified in SCHEDULE-III of these Regulations throughout the validity of its Registration.

Provided further the applicant who has established an MGA in a branch form shall comply with the professional indemnity policy requirements at its head office and shall have endorsement on such policy to the effect that liabilities if any, arising out of operations at the IFSC branch office are also covered in such policy.

12. **Financial Security and Deposit Requirements –**

- (1) Every MGA shall before the commencement of their business, deposit and keep deposited with any IBU a sum equivalent to –
 - (a) USD 10,000 (USD Ten thousand only), and
 - (b) 10% of the minimum equity or assigned capital as specified under



regulation 10 which shall not be released without the prior written permission of the Authority.

Provided that the Authority may impose a separate limit of deposit, in any case not exceeding USD 1,00,000.

- (2) The deposit shall have a lien with the Authority.
- (3) Such deposit shall not be pledged for taking any loan or overdraft facility by the MGA;
- (4) Every MGA shall furnish to the Authority as and when called upon to do so a non-encumbrance statement from IBU in which such fixed deposit is kept.
- (5) The interest earned on the deposit shall not be subject to lien with the Authority,
- (6) The Authority may access the fixed deposit to settle unpaid 'Courts/Ombudsman Awards' or 'Claims under adjudication' if the MGA enters liquidation.

CHAPTER IV: OPERATIONS AND MANAGEMENT

13. **Ownership and Control of Shares:** The change in beneficial ownership of shares or contribution and control of the MGA shall be in carried out only with prior permission of the Authority and in such manner and by following such processes as may be specified by the Authority.
14. **Board Approved Policy for comparison and distribution of insurance products –**
 - (1) Every MGA shall have a Board approved policy on the manner of soliciting, accepting of risk. servicing insurance policies including suitability requirements. Such approved policy, amongst others, shall include the approach to be followed by the MGA in having multiple tie-ups, type of products sold, mode of solicitation, grievance redressal mechanism, reporting requirements and any other requirement with regard to different business segments and shall be reviewed at least once in three (3) years by its Board or its equivalent.
15. **Code of conduct for MGA –**

Every MGA shall abide by the Code of Conduct as specified in SCHEDULE-II of these regulations.
16. **Internal control and systems –**



Every MGA shall ensure that a proper system of internal audit is in place and that its internal controls and systems are adequate for the size, nature and complexity of its business.

17. The MGA shall perform its functions and duties, and exercise its delegated authority, in strict adherence to the Code of Conduct and operational standards specified in Schedule-II of these regulations.

18. **The Binding Authority Agreement (BAA) –**

(1) No MGA shall operate or bind risks or settle claims unless a written BAA, with the minimum required clauses as mandated at Schedule-IV is in force and filed with the Authority.

(2) The BAA shall explicitly define:-

(a) Classes of business, territorial limits, and maximum limits of liability per risk.

(b) Underwriting guidelines and the basis of rates to be charged.

(c) The underwriting capacity allocated by the insurer.

(d) Insurer's right to termination and suspension clauses, including the insurer's right to suspend authority during the pendency of dispute regarding the cause for termination.

(3) The BAA shall strictly delineate between 'Claims Processing' (administrative valuation) and 'Claims Settlement' (authority to bind the insurer to a final payout).

(4) Where settlement authority is granted, it shall be subject to a monetary limit per claim and an aggregate limit as specified in the BAA.

(5) Any claim exceeding USD 10,000 or involving a coverage dispute shall be referred to the concerned foreign insurer for prior approval.

19. **Fiduciary Accounts and Premium Segregation –**

(1) Where in terms of BAA the registered MGA is permitted to collect the premium and remit to the foreign insurer and/or collect the claims due from the foreign



insurer to be passed on to the policyholder, the money collected by the registered MGA shall be dealt with in the manner as specified by the Authority. For this purpose, every MGA shall maintain a designated 'Insurance Account' with an IBU. All Insurance Money shall be held in a fiduciary capacity for and on behalf of the insurers and policyholders.

- (2) Insurance Money shall be strictly segregated from the MGA's operational 'Management Account.' No salaries or operational or capital expenditures shall be paid from the Insurance Account. Insurance Money shall not be used to provide credit to any other client or intermediary.
- (3) MGAs are prohibited from retaining more than three months' worth of losses and loss adjustment expenses in the fiduciary account. All surplus premium shall be remitted to the insurer monthly.
- (4) Insurance Money held in the Insurance Account shall not be liable to attachment or be part of the assets of the MGA in the event of insolvency or liquidation.
- (5) Permissible Credits and Debits: The Insurance Account shall only be used for –
 - (a) Credits: Receipt of premiums from policyholders; receipt of claim funds/return premiums from insurers; and interest earned on such funds (subject to the BAA).
 - (b) Debits: Remittance of premiums to insurers; payment of claims/refunds to policyholders; and withdrawal of earned commission as per the BAA.
- (6) MGAs shall provide a half-yearly certificate from a Statutory Auditor confirming compliance with fund segregation requirements of these Regulations.

20. Duties of foreign insurer(s) and their Operational Oversight –

- (1) The foreign insurer shall conduct an independent annual audit of records of MGA to satisfy that the MGA complies with BAA and has a positive net worth.
- (2) The foreign insurer shall conduct an on-site review of the MGA's underwriting and claims processing at least half yearly.
- (3) If the MGA establishes loss reserves, the foreign insurer shall annually obtain the opinion of an independent actuary attesting to their adequacy. This is in addition to any other required loss reserve certification.



- (4) The arrangement between a foreign insurer and an MGA shall be treated as a 'Material Outsourcing Arrangement'
- (5) The foreign insurer shall not appoint to its board of directors an officer, director, employee or controlling shareholder of its MGAs.

21. Maintenance of books of accounts, records, etc. –

- (1) Every MGA shall prepare following financial statements for every financial year –
 - (i) a balance sheet as at the end of each financial year;
 - (ii) a profit and loss account for that period, which shall be maintained on accrual basis;
 - (iii) a statement of cash/fund flow (direct method);
 - (iv) Additional statements on its business as may be specified by the Authority.

Explanation:

- (i) For the purposes of this regulation, the financial year: for a branch established in an IFSC- shall refer to the financial year followed by its home country's regulatory or supervisory authority;
 - (ii) for an entity incorporated in IFSC- shall refer to a period of twelve (12) months commencing from 1st April and ending on the 31st March.
- (2) The MGA which is established in the branch form shall prepare and maintain the financial statements in accordance with the accounting standards as applicable for its applicant, as specified by their home country regulatory or supervisory authority.
- (3) Every MGA shall submit to the Authority, a copy of the audited financial statements referred to in sub-regulation (1) along-with the auditor's report thereon within thirty (30) days of holding of the annual general meeting or before 30th September every year, whichever is earlier, along with the remarks or observations of the auditor, if any, on the conduct of the business, state of accounts, etc., and a suitable explanation on auditor's observations/remarks from the MGA.



- (4) Every MGA shall, within ninety (90) days from the date of the Auditor's report take steps to rectify the deficiencies, if any, made out in the auditor's report and inform the Authority accordingly.
- (5) All the books of account, statements, document, etc., shall be maintained at the office of the MGA in an IFSC and shall be available for inspection by the Authority. All claim files will be the joint property of the insurer and MGA. However, upon an order of liquidation of the insurer such files shall become the sole property of the insurer or its estate; the MGA shall have access to and the right to copy the files on a timely basis.
- (6) Every MGA shall render accounts, including claims bordereaux, to the foreign insurer detailing all transactions and remit all funds due under the contract to the foreign insurer on not less than a monthly basis.
- (7) All the books, documents, statements, contract notes etc., referred to in this regulation and maintained by the MGA shall be retained for a period of at least seven (7) years from the end of the year to which they relate.

Provided that the documents pertaining to the cases where claims are reported and the decision is pending for a decision from courts, the documents shall be maintained till the disposal of the cases.

Provided also that unless otherwise required in any other laws for the time being in force, all such books, documents, statements, accounts may be maintained in non-editable electronic retrieval form.

- (8) Financial statements shall include a note providing the insurer-wise (including insurer's group companies) details of all the incomes received by it and also the details of payments received by it from its group companies, associates, and related parties.
- (9) Every MGA shall make disclosures of all related party transactions in its audited accounts and balance sheet.
- (10) Every MGA shall notify the Authority within 72 hours of determining that a cyber event has occurred which has the likelihood of an adverse impact on its business or policyholders.

22. **Prohibited Activities** - Every MGA is prohibited from:

- (1) Binding reinsurance or retrocessions contracts on behalf of the foreign insurer.



- (2) Committing the insurer to participate in insurance or reinsurance syndicates.
- (3) assigning the contract in whole or part or further delegating its underwriting or claims authority to a sub-MGA.
- (4) Permitting its sub-producers to serve on the insurer's board of directors.
- (5) Jointly employing an individual who is employed with the foreign insurer
- (6) Except with the permission of Authority, permitting its employee to serve on the insurer's board of directors;

CHAPTER VI: GOVERNANCE, CONDUCT, AND COMPLIANCE

23. **Code of Conduct** - Every MGA registered under these regulations shall abide by the Code of Conduct as specified in Schedule-II, failure of which may result in the suspension or cancellation of the Certificate of Registration.
24. The MGA shall, always, act in accordance with the following foundational principles -
 - (1) **Primary Duty:** The MGA owes its primary fiduciary duty to the foreign insurer. In exercising delegated authority, the MGA shall observe high standards of integrity and act with the same skill and care as if the MGA's own capital were at risk.
 - (2) **Policyholder Protection:** The MGA shall ensure that the interests of policyholders are paramount, particularly when exercising delegated authority for underwriting or claims.
 - (3) The MGA may use only advertising material pertaining to the business issued by an insurer that has been approved in writing by the insurer in advance of its use.
 - (4) **Conflict Management:** MGAs shall implement a Board-approved conflict management policy, reviewed every year.
 - (5) **Transparency:** MGAs shall disclose their status as an agent of the insurer to policyholders. The name of the foreign insurer shall be prominent in all policy documents.
25. **Filing of Returns:** Every MGA shall file the periodical returns as may be specified by the Authority.



26. Disclosures to the Authority –

- (1) Every MGA shall take prior approval of the Authority for the following -
 - (i) Change of Principal Officer/ Branch Head;
 - (ii) Change of Director(s)/Partner(s)/member (s)
Provided that the Authority shall be informed in the event of resignation of any director / partner/member.
 - (iii) Change of its name; or
 - (iv) Change of its corporate/registered office.
- (2) Every MGA shall furnish to the Authority the following information as and when there is a change/addition to the information furnished previously to the Authority:
 - (i) List of MGA Qualified Persons; or
 - (ii) Claims under the Professional Indemnity Policy.
- (3) The Authority may require the MGA to furnish information/data/documents in such manner and at such interval, as may be specified.

27. Amalgamation and Transfer of business –

- (1) No scheme of amalgamation or merger or acquisition or transfer of business of the MGA shall be implemented without the prior approval of the Authority.
- (2) The process for seeking approval shall be in such form and manner as specified by the Authority.

28. Sale of Insurance through Digital Modes –

- (1) Any MGA may enter into an agreement with insurers for sale of insurance products online by linking to the web portals of the insurers or by establishing insurance self-network platform.
- (2) Any MGA may solicit insurance through digital modes subject to such conditions as may be specified by the Authority.
- (3) The procedure for sale of insurance products where leads are generated through online or off-line and completed through tele-marketing mode by MGA shall be as specified by the Authority.

CHAPTER VII: MISCELLANEOUS

29. Power to specify procedures and issue clarification –



For the purpose of implementation of these regulations and matter incidental thereto, or in order to facilitate and regulate financial services related to insurance and reinsurance business activities in an IFSC, the Authority may specify norms, procedures, processes, manners or provide relaxations, by way of guidelines or circulars in accordance with the provisions of the Act.

30. Voluntary Surrender –

An MGA may surrender its Certificate only with the prior written approval of the Authority and after providing a plan to run-off its existing book of business including submitting evidence of enough capital to wind down operations in an orderly fashion without disrupting policyholder services.

31. Power to Inspect and Investigate –

The Authority shall have the power to inspect the books, records, and premises of the MGA at any time without prior notice including calling for any information from the MGA or the applicant, so far as it relates to its activities as MGA.

32. Action in Case of Default –

- (1) The Authority may take appropriate regulatory action including suspension or cancellation of the registration of an MGA, if it –
 - (a) Violates BAA provision/s.
 - (b) Fails to maintain required Capital or Net Worth.
 - (c) Fails to commence business within twelve months of registration.
 - (d) Is found guilty of fraud, misrepresentation, or ethical misconduct.
- (2) If pursuant to an inspection or investigation or otherwise, the Authority is of the opinion that the operations of MGA are not being conducted in accordance with the provisions of the Act, rules or regulations or circulars and guidelines issued thereunder or its activities are not in the interests of the International Financial Services Centres, the Authority may take appropriate disciplinary action against it including but not limited to suspension or cancellation of certificate after giving an opportunity to the MGA, of making its submissions.
- (3) Without prejudice to the above, the Authority may take any other action as it deems fit, under the Act.

33. Repeal and Savings – On and from the date of notification of these regulations in the



official gazette, all the provision related to Managing General Agent (MGA) wherever it occurs in the IFSCA (Registration of Insurance Business) Regulations, 2021 shall stand repealed.

Schedule-I **‘Functions and activities of MGA’**

1. Underwriting and Risk Selection –
 - (1) Risk Assessment and Acceptance within BAA limits: Evaluation of risks through sophisticated modelling and selection processes to ensure alignment with the Insurer’s Underwriting Policy.
 - (2) Binding Authority: Exercising delegated authority to bind risks, issue binders, and execute insurance contracts within the limits specified in the BAA.
 - (3) Pricing Mechanism: Development and application of technical rating models. The MGA shall ensure that all quotes are compliant with the Insurer’s rating manuals and actuarial benchmarks, related specialized data, accounting for risk-loading, administrative costs, and statutory levies and shall not deviate from the Insurer’s overarching risk appetite.

2. Product Development and Manufacturing -
 - (1) Product Design: Conceptualizing and designing insurance products, including the drafting of policy wordings, terms, conditions, and exclusions.
 - (2) Regulatory Filing: Ensuring compliance with IFSCA (Insurance Products & Pricing) Regulations, 2022.

3. Policy Lifecycle and Operational Management –
 - (1) Policy Issuance: Execution and delivery of policy documents, schedules, and endorsements.
 - (2) Lifecycle Management: Handling the end-to-end administration of the policy, including –
 - (a) Solicitation: Marketing and distribution of products via direct channels or a network of sub-producers.



- (b) Servicing: Processing mid-term adjustments (MTAs), renewals, and cancellations for cause or non-payment.
- (3) Data Integration: Maintenance of real-time digital records and integration with the Insurer's core systems to ensure seamless reporting for solvency and regulatory oversight. The data of policyholders should be stored within India including IFSCs, to ensure compliance with the India's data protection laws.
4. Fiduciary and Accounting Functions -
- (1) Premium Collection and claims payment: The MGA shall act as a fiduciary in the collection of premiums and the maintenance of a designated 'Insurance Account.' This account shall be used for all payments on behalf of the insurer. The MGA may retain no more than three months estimated claims payments and allocated loss adjustment expenses.
- (2) Financial Reporting: Periodic reconciliation of accounts and remittance of net premiums (gross premium less commission and authorized expenses) to the Insurer as per the BAA.
5. Claims Management and Loss Mitigation: Where specifically delegated under the BAA, the MGA shall perform the following claims functions:
- (1) Initial Intake and Triage: Receiving notices of loss, verifying policy coverage at the time of loss, and registering the claim file.
- (2) Negotiation and Adjusting: Investigating claims and negotiating settlements for complex or high-value losses within the technical parameters set by the Insurer.
- (3) Settlement Authority: Finalizing and issuing claim payments to policyholders or third-party claimants from the fiduciary 'Insurance Account,' provided such payments fall within the MGA's delegated financial authority subject to a monetary limit per claim and an aggregate limit. MGA may send specific claim files to the insurer if they exceed set limits or involve coverage disputes.

Schedule-II
'Code of conduct of MGA'

1. Integrity and Professionalism –
- (1) High Standards: An MGA shall act with high standards of integrity, dignity, and fairness in all its dealings.



- (2) **Fiduciary Duty:** The MGA shall owe its primary fiduciary duty to the foreign insurer. In fulfilling this duty, the MGA shall simultaneously ensure a secondary duty of fairness and transparency to the policyholder.
- (3) **Due Care and Diligence:** Every MGA shall act with appropriate skill, care, and diligence in the exercise of its delegated authority, particularly in underwriting and claims management.

2. Conflict of Interest and Governance

- (1) **Board-Approved Policy:** The MGA shall implement a comprehensive conflict management policy approved by its Board of Directors. This policy shall be reviewed at least once every three years.
- (2) **Segregation of Activities:** If the MGA is part of a group involving brokers or loss assessors, it shall maintain a strict 'arms-length' distance and clear operational segregation to prevent cross-contamination of interests.
- (3) **Group Bindings:** The MGA shall not bind risks for its own group entities unless specifically authorized in writing by the foreign insurer and disclosed to the Authority.

3. Disclosures and Transparency

- (1) **Material Information:** The MGA shall disclose to the policyholder its status as an agent of the insurer and any specific interest it holds in the risk being insured.
- (2) **Truthful Advertising:** All promotional materials and communications shall be –
 - (a) Fair, clear, and unambiguous.
 - (b) Free from misleading statements that exploit a client's lack of insurance experience.

4. Market Conduct and Anti-Mis-selling -

- (1) **Product Suitability:** The MGA shall ensure that any insurance product bound under its authority is suitable for the client's risk profile and specific needs. The MGA has duty to screen sub-producer for 'suitability' and monitor their sales practices to prevent mis selling.



- (2) Clear Communication: All features, exclusions, and limitations of the insurance policy shall be communicated clearly to the client prior to binding.
5. Professional Standards and Accountability -
 - (1) Principal Officer (PO) Responsibilities: The PO or Branch Head shall be responsible for the day-to-day conduct of the MGA. The PO shall satisfy 'Fit and Proper' criteria, demonstrating competence in insurance, as per IFSCA guidelines, residency requirement.
 - (2) Staff Conduct: The MGA is strictly liable for the professional conduct of its employees and any sub-producers it appoints.
6. Records and Audit Compliance -
 - (1) Record Retention: The MGA shall maintain a Board-approved record retention policy, ensuring all underwriting, claims, and financial data are retrievable and secure for the duration prescribed by the Authority.
 - (2) Right to Audit: The MGA shall facilitate periodic audits by the foreign insurer regarding underwriting files and claims handling to ensure strict adherence to the BAA.

SCHEDULE-III

PROFESSIONAL INDEMNITY (PI) REQUIREMENTS

1. Mandatory Maintenance of PI Insurance –
 - (1) Commencement of Cover: Every MGA shall, at all times, maintain a Professional Indemnity (PI) insurance policy from its date of registration.
 - (2) Scope of Coverage: The policy shall provide cover for legal liabilities arising from any act, error, or omission committed by the MGA, its employees, or its appointed representatives in the conduct of authorized business activities. The policy shall provide for cyber liability Insurance.
2. Tiered Minimum Limits of Indemnity –
 - (1) The MGA shall maintain limits of indemnity both at individual claim level and aggregate that are proportionate to its scale of operations and potential risk exposure.
 - (2) The limits shall be determined, having regard to the calculated percentage of annual



income.

- (3) **Currency Alignment:** If a policy is denominated in a currency other than USD, the MGA shall ensure that the limits are equivalent to the mandated USD amounts at the time of each renewal.
 - (4) **Review Mechanism:** These limits shall be reviewed by the MGA Board annually and adjusted for shifts in the risk landscape or inflation.
3. **Management of Policy Excess (Deductibles) –**
- (1) To prevent intermediaries from assuming unmanageable financial risk, the maximum permissible ‘excess’ (the amount the MGA pays out-of-pocket per claim) is capped as follows:
 - (a) **MGAs Not Holding Client Money:** The excess shall not exceed the higher of \$2,500 or 1.5% of annual income.
 - (b) **MGAs Holding Client Money (Fiduciary Accounts):** The excess shall not exceed the higher of \$5,000 or 3% of annual income.
 - (2) **Compensatory Capital:** If an MGA opts for a higher excess to reduce premium costs, it shall maintain additional capital resources as a buffer, equivalent to the difference between the actual excess and the regulatory cap.
4. **Mandatory Policy Features:** The PI insurance contract shall explicitly include the following -
- (1) **Legal Defense Costs:** Coverage for costs and expenses incurred in defending professional negligence claims, in addition to the limit of indemnity.
 - (2) **Retroactive Cover:** The policy shall provide ‘continuous cover’ for all work carried out from the initial date of the MGA’s registration in the IFSC.
 - (3) **Ombudsman and Arbitration Awards:** Indemnity against awards made by the IFSCA’s grievance redressal bodies or recognized arbitration centers.
 - (4) **No Unreasonable Exclusions:** The policy shall not contain conditions or exclusions that unreasonably limit the core cover required for the MGA’s specific business lines (e.g., claims handling, underwriting).

SCHEDULE-IV
MANDATORY PROVISIONS OF BINDING AUTHORITY AGREEMENT (BAA)



1. **Contract primacy:** No MGA can operate without a written contract that includes specific required clauses like termination for cause, suspension of authority, monthly accounting/remittance, fiduciary capacity, three-month rule, the right of Insurer to cancel or non-renew any policy of insurance subject to the applicable laws and regulations and non-assignment.
2. **Scope of Authority:** Explicitly state classes of business, territorial limits, and maximum limits of liability per risk.
3. **Fit and Proper Status:** All individuals who manage or control an MGA—including directors, senior managers, and shareholders owning significant percentage of the company—shall satisfy ‘fit and proper’ criteria.
4. **Ownership Link Disclosures:** To manage potential conflicts of interest, a significant per cent or more ownership link between an insurer and an MGA may be disclosed to any prospective policyholder.
5. **Underwriting Boundaries:** Setting annual GWP cap, surplus triggers, the basis of the rates to be charged; the types of risks which may be written; maximum limits of liability; applicable exclusions; territorial limitations; policy cancellation provisions; and the maximum policy period and reinsurance prohibitions, as may be applicable.
6. **Monetary limits of Claims Authority Delineation, as agreed –**
 - (a) **Processing Only:** MGA verifies loss but cannot authorize payment.
 - (b) **Settlement Authority:** MGA can authorize payment up to USD [Amount] at claim level and aggregate.
7. **Fiduciary Stewardship:** Mandatory trust account segregation and remittance ‘without delay’ rules.
8. **Loss Fund:** Limit the loss fund to no more than three months of estimated claims.
9. **Bordereau Reporting:** Mandatory monthly submission of premium and claims bordereaux to the insurer in a template mutually agreed.
10. **The 5% Surplus Rule:** The MGA shall notify the insurer if its quarterly GWP production exceeds 5% of the insurer’s policyholder surplus,
11. **Data Portability:** Mandate for the seamless transfer of policyholder records to the insurer



upon contract termination,

12. **Verification and Oversight:** Mandating two-year audited financials and annual on-site inspections,
13. **On-Site Review:** Insurer to conduct on-site reviews of underwriting and claims at least half yearly.
14. The foreign insurer entering into BAA with an MGA shall –
 - (1) have minimum net worth of USD 100 Mn,
 - (2) have a minimum credit rating of 'A' or equivalent from any of the internationally renowned credit rating agencies for the last three years.
 - (3) be from a FATF compliant jurisdiction or country,
 - (4) be registered or certified in a National Regulatory Environment with whom the Government of India has signed Double Taxation Avoidance Agreement; and
 - (5) resolve that it will make all liabilities good as undertaken by MGA
 - (6) not give binding authority to an MGA more than ten per cent (10%) of its GWP for previous financial year.

(Name and designation)

[ADVT.-III/4/Exty./xxx/2025-26]



Format for providing comments / suggestions

**Proposed –
International Financial Services Centres Authority (Managing General Agents)
Regulations, 2026**

Inputs / Comments suggested by:

Page No. of Draft Regu.	Reg. No.	Sub-Regu No. /Para No.	Comments / Suggestions / Suggested modifications	Rationale

***** End *****