



बीमा विनियामक और विकास प्राधिकरण  
INSURANCE REGULATORY AND  
DEVELOPMENT AUTHORITY

IRDA/DIST/GDL /CIR/088/03/2014

20<sup>th</sup> March, 2014.

**CIRCULAR**

To,  
The CEOs of all insurers,

**Sub: On boarding Charges in CSC-SPV Model**

M/s.CSC e-Governance Services India Ltd., a Special Purpose Vehicle (CSC-SPV) has been formed to enable delivery of services through the CSC-SPV Network. The Insurers can market certain categories of Retail Insurance policies & services through the CSC-SPV and its common service centers.

The Authority has received queries from insurers on the issue of on-boarding costs, transaction and service charges to be charged by the CSC-SPV. In this connection, the Authority held discussions with the CSC-SPV and decided as follows:

1. **CSC-SPV On-boarding Corpus Fund & Charges:**

(a) CSC-SPV On-boarding Corpus Fund ("On boarding Corpus Fund" for short) would be set up with an initial contribution of ₹20 lakhs (Rupees Twenty lakhs) from each insurance company, which has entered into an agreement with CSC-SPV for distribution of its Insurance products through the CSC-SPV centers.

(b) The Insurer signing the agreement shall pay the first installment of ₹5 Lakhs (Rupees Five Lakhs) towards the Corpus Fund before 31-03-2014. Further, three installments shall be paid in the first week of the quarter (April-June, July-Sep and Oct-Dec) for the year 2014-15.

(c) The On boarding Corpus Fund shall be maintained in an "Escrow Account" called the "**CSC-SPV On-boarding Corpus Fund**" operated by the Life Insurance Council.

(d) Currently, the amount fixed towards on boarding charges per CSC-SPV Center activated shall be ₹5,000/- (Rupees five thousand) which may be revised from time to time.

(e) CSC-SPV shall submit to the Life Insurance Council and General Insurance Council the list of CSC-SPV centers that are activated to undertake Insurance Operations and seek release of the on boarding charges per activated CSC Center.

(f) The details of the CSC-SPV centers activated and the amount withdrawn from the Corpus Fund shall be displayed on the CSC-SPV and the Councils website for information and transparency.

(g) Life and General Insurance Councils shall maintain separate account codes and Books of accounts which shall be inspected by IRDA and audited by a qualified auditor annually.

2. **Premium Collection Charges:** CSC-SPV shall enter into a separate agreement with the Insurer with regard to collection and transferring premium by CSC-SPV to the Insurer on mutually agreed terms.

3. **Customer Service Charges:** Customer Service charges to be charged for various services rendered by CSC shall be mutually agreed between the insurer and CSC-SPV.

This has the approval of the Competent Authority.

  
(DD Singh)  
Member