

Ref: IRDAI/HLT/MISC/ORD/171/06/2021

Order in the matter of Grand Insurance TPA (P) Limited

Based on the

Show Cause Notice (hereinafter referred to as “SCN”) (Reference No. IRDA/HLT/TPA-Grand TPA/010/Vol-II dated 16th March, 2021) issued in connection with Non Submission of Annual Returns for the Financial Year 2019-20.

1. Background:

Grand Insurance TPA Private Limited (hereafter referred as Grand TPA), has not submitted Annual Returns for the financial year 2019-20 within the timelines specified in IRDAI (Third Party Administrators-Health Services) Regulations 2016 thereby violating the provisions of Regulation 19 (9) of IRDAI (Third Party Administrators) Regulations, 2016 thereby attracting the provisions of Regulations 16 (1) (f), 16 (1) (g), Clause (2) (r) of Schedule – II read with Regulation 23 of IRDAI (Third Party Administrators – Health Services) Regulations, 2016. IRDAI has made following efforts to obtain the Annual Returns:

- a. Reminder e-mails sent on 01.04.2020, 16.06.2020, 10.07.2020, 27.07.2020, 30.07.2020, 18.08.2020, 06.11.2020 and 12.11.2020
- b. Letter dated 7th January 2021 sent by speed post calling for an explanation from Grand TPA which was returned undelivered on 22nd January 2021
- c. Telephonic call made on 17.02.2021 when the MD of Grand TPA requested for the letter to be sent again to the same address.
- d. Show Cause notice dated 16.03.2021, which was returned undelivered on 30.03.2021. However, a copy was sent by e-mail on 16.03.2021.
- e. The final notice was sent vide letter dated 13th May, 2021 asking why their Certificate of Registration bearing No 029 shall not be cancelled for the referred violation, which was returned undelivered on 10.06.2021. However, a copy of the same was sent by e-mail on 13.05.2021.

2. The Authority has completely provided reasonable/sufficient opportunities to Grand TPA for filing Annual Returns or for submitting reasons for its failure to submit Annual Returns for the Financial Year 2019-20. However after repeated attempts, the TPA has not responded. It may be noted that, the Certificate of Registration of the TPA was valid up to 15.05.2021 and stands expired as on date. The TPA did not file application for renewal to the Authority as per TPA regulations.

Decision

3. In the light of the violations of Regulation 19(9) of TPA Regulations, the Authority after careful consideration of the seriousness of violations observed and in exercise of the powers vested under Regulation 16(1) of IRDAI (TPA-Health Services) Regulations, 2016, hereby revokes the certificate of registration No. 029 granted to Grand TPA with immediate effect.
4. As the Certificate of Registration of Grand TPA stands revoked with immediate effect, Grand TPA shall no more function as Insurance TPA.
5. However, it may continue servicing the existing health insurance policies (if any) based on the discretion and direction of the respective insurers for a period not exceeding three months from the date of this order. Insurers having SLA with TPA shall not entrust any servicing of new policies or servicing of new lives under the existing group schemes/policies to Grand TPA.
6. All Insurers and Grand TPA shall comply with following directions wherever applicable, in view of revocation of Certificate of Registration No. 029 of Grand TPA.
 - i. All insurers who are having SL agreement, if any, with Grand TPA rendering the services referred in Regulation (3) (1) (a) and Regulation (3) (1)(b) of IRDAI (TPA-Health Services) Regulations, 2016, shall immediately take such steps including appointment of another TPA, if any, as may be necessary to continue to cater to the policy holders served by Grand TPA.
 - ii. Grand TPA shall cooperate with insurance companies in making suitable alternate arrangements to service the policy holders in respect of whom the policies are in force.

- iii. Grand TPA shall, reconcile and close the accounts with concerned insurance companies and network providers, if any.
- iv. Grand TPA shall submit the data collected and the books, records or documents etc., relating to the TPA business carried on by it to respective insurers
- v. Grand TPA and all the insurers shall comply with the applicable provisions of Regulation 18 of IRDAI (TPA - Health Services) Regulations, 2016.
- vi. Grand TPA is advised to remove the word “Insurance TPA” from the name of its Company and that they shall not function as TPA.
- vii. All the insurance companies that have engaged the services of Grand TPA shall submit an action taken report to General Manager (Health), IRDAI, Hyderabad in respect of the above directions within three months from the date of this order.

If the TPA feels aggrieved by the decision of this order, an appeal may be preferred to the Securities Appellate Tribunal as per Section 110 of the Insurance Act, 1938.

Hyderabad
Dated 23rd June 2021

Sd/-
MEMBER (Non-Life)