



Heritage Finlease Limited
Open Architecture Policy for Insurance
Distribution

Open Architecture Policy for Insurance Distribution

Preamble

Pursuant to the Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015 (“the Regulations”) and related circulars, every corporate agent is required to adopt a Board-approved policy outlining its approach to insurer tie-ups, product mix, grievance redressal, and reporting obligations.

Accordingly, this Policy governs Heritage Finlease Limited (“the Company”) in the conduct of its corporate agency business, ensuring fair solicitation, distribution, and servicing of insurance products in compliance with applicable laws and IRDAI guidelines.

Background

Heritage Finlease Limited is a Non-Banking Financial Company (Non-Deposit Taking) registered with the Reserve Bank of India, Hyderabad Regional Office. Its principal business is lending and financing.

The Company also operates as a Composite Corporate Agent under the IRDAI Regulations for solicitation and servicing of life, general, and health insurance products on a remuneration basis. Insurance activities are ancillary to the Company’s core lending business and will be conducted strictly in line with regulatory norms.

A clear operational firewall shall be maintained between lending and insurance functions to prevent conflict of interest, mis-selling, or coercive practices.

1. Objective

To establish a transparent and compliant framework for the distribution of insurance products under the Open Architecture model, ensuring that all insurance-related activities are conducted in a fair, customer-centric, and ethical manner.

2. Regulatory Basis

This Policy is formulated under the IRDAI (Registration of Corporate Agents) Regulations, 2015 and subsequent circulars relating to empanelment, disclosure, reporting, and conduct requirements.

3. Scope

This Policy applies to all Company units, branches, employees, Specified Persons (SPs), consultants, and authorized third parties involved in the solicitation, processing, or servicing of insurance business.

4. Definitions

- **Company / Corporate Agent:** means Heritage Finlease Limited.
- **Corporate Agent (Composite):** means a corporate agent who holds a valid certificate of registration to act as such, issued by the Authority under the Regulations, for solicitation and procurement of insurance business for life Insurers, general Insurers and health Insurers, or combination of any two or all three as specified.
- **Principal Officer (PO):** The designated officer responsible for overall compliance and supervision.
- **Specified Person (SP):** Persons appointed and certified under the IRDAI Regulations to solicit and procure insurance business.
- All words and expressions used herein and not defined but defined under the Act or the Regulations or any other rules and regulations made there under shall have the meanings respectively assigned to them in the Act or the Regulations.

5. Policy Principles

1. **Customer First:** Product recommendations guided solely by customer need and suitability.
2. **Transparency:** Clear disclosure of insurer tie-ups, product features, and applicable commissions (where required).
3. **Open Architecture:** Empanelment of multiple insurers (limit up to 27 across all segments).
4. **Governance:** Board oversight for policy and empanelment decisions.
5. **Data Protection:** Secure handling of all customer and insurer information.

6. Empanelment

6.1 Selection & Due Diligence:

Insurers shall be empanelled following due diligence covering IRDAI registration, solvency, claim performance, product suitability, service record, and system compatibility.

6.2 Disclosure to IRDAI:

All tie-ups shall be disclosed to the Authority within prescribed timelines, and records shall be maintained accordingly.

7. Product Selection, Suitability & Disclosure

Product recommendations shall be made in a fair, transparent, and customer-centric manner. Prior to offering a product, an assessment of the customer's needs and financial profile shall be undertaken to ensure suitability. All communications to customers shall be accurate, unbiased, and free from coercion or misrepresentation.

8. Conflicts of Interest & Functional Firewall

The Company acknowledges IRDAI's Open Architecture framework permitting multiple insurer tie-ups.

A clear separation shall be maintained between lending and insurance operations to avoid conflicts of interest. Product recommendations shall be unbiased and based on customer suitability, not business preference.

9. Manner of Soliciting and Servicing

The Principal Officer shall supervise all insurance activities and ensure compliance with qualification, training, and examination requirements. Specified Persons shall solicit insurance business in accordance with regulatory standards and Company procedures.

10. Grievance Redressal & Reporting

Grievances shall be handled under the Company's approved Grievance Redressal Mechanism/Policy. Insurer-wise complaint data and returns shall be submitted to IRDAI as required.

11. Infrastructure & IT Controls

The Company shall maintain adequate infrastructure, trained personnel, and secure IT systems to support insurance operations. Records shall be safely maintained in physical or electronic form with suitable data protection and access controls and also ensure annual cyber security audit as per IRDAI norms.

12. Outsourcing & Third-Party Management

All outsourced activities shall comply with the IRDAI guidelines. Vendors shall be subject to due diligence and service-level agreements covering data protection and compliance.

14. Review & Amendment

This Policy shall be reviewed annually or earlier if mandated by regulatory change. All material amendments shall be approved by the Board.

15. Roles & Responsibilities

- **Board:** Approves this Policy and oversees major empanelment and compliance matters.
- **Principal Officer:** Ensures day-to-day compliance, record maintenance, and reporting to IRDAI.
- **Specified Persons / Sales Staff:** Ensure transparency and customer-centric practices.