



बीमा विनियामक और विकास प्राधिकरण
**INSURANCE REGULATORY AND
DEVELOPMENT AUTHORITY**

IRDA/DB 116/03
27th January, 2009

To
The Principal Officer,
M/S Megatop Insurance Broking Ltd.,
C/o. ITC Ltd- ABD, 31, Sarojini Devi Road,
Secunderabad-500 003.

Dear Sir,

**Re.: Suspension of Broking License No. 163
M/S. Megatop Insurance Broking Ltd**

Megatop Insurance Broking Ltd (hereinafter referred to as the 'Broker' or 'MIBL') having its Registered Office at Room No. III, 2nd Floor, 21 Prafulla Sarkar Street, Kolkatta-700 072 was granted a license by the Insurance Regulatory and Development Authority (hereinafter referred to as the 'Authority') to act as a Direct Insurance Broker, vide License No. 163 valid from 22nd May, 2003 to 21st May, 2006 and further renewed till 21st May, 2009.

A complaint was received against Megatop Insurance Broking Ltd from Chairman-cum-Managing Director, Agriculture Insurance Company of India Ltd (for brevity's sake, hereinafter referred to as AICIL) vide their letter dated 11th August, 2008, alleging gross irregularities of varying nature by MIBL with regard to Weather Based Crop Insurance Scheme.

The Authority vide letter dated 28th August, 2008 sent a copy of the said complaint to the Broker with an advice to submit its explanation/ clarification to the same. In response dated 12th September, 2008, the Broker refuted allegations leveled against them.

Thereafter, Agriculture Insurance Company of India Ltd vide its letter dated 14th November, 2008 submitted the findings of its investigation to the Authority on alleged acts of omissions and commissions committed by the Broker.

The Authority after consideration of the investigation report of AICIL forwarded a copy of the report to the Broker under cover letter dated 2nd December, 2008 and advised the Broker to show cause as to why the Authority should not take appropriate action against it.

The reply of the Broker dated 12th January, 2009 to the show cause notice states as under.

"We informed the AICIL that we do not rule out the possibility of clerical errors by the field resources of MIBL. We also informed them that we had benched individuals suspected of such negligence and moved them out of insurance business totally. The



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AICIL insisted on a written acceptance of the mistakes committed by MIBL. We sent a draft letter to explaining the possibilities of some clerical errors.”

In light of the above admission by the Broker and on examining the findings of investigation report of AICIL and comments of the MIBL, the Authority is of the view that the Broker had violated the requirements under Regulation 21 read with Schedule III – Code of Conduct of the IRDA's (Insurance Brokers) Regulations, 2002.

Therefore, pending enquiry, in exercise of powers granted to it under Regulation 35 of the IRDA's (Insurance Brokers) Regulations, 2002, the Authority suspends the license no 163 of the broker with immediate effect.

Dated this 27th January, 2009 at Hyderabad.


(PRABODH CHANDER)
EXECUTIVE DIRECTOR