IRDAI DISTRIBUTION REFORMS · THE 2-MINUTE VERSION

IRDAI's December rethink, and why your 31 March renewal is the one to watch

WHERE IT STANDS

2 lakh+
comments from ~15,000 stakeholders

1 Apr 27
start date, unchanged

- Revised guidelines expected **by December**
- "At least a few" proposals likely to change
- A 31 March renewal starts on day one of the new rules

WHAT'S BEING FOUGHT OVER

- **2.5%** proposed commission cap on employer group health, from well above 10% today
- Insurer expense caps: **30%** → **25%** → **20%** over five years
- A visible **fee for advice**, paid outside the premium
- Pushback from brokers, LIC, large insurers; impact assessment sought

WHAT A 31 MARCH RENEWAL COULD SEE (my view)

- Adviser pay changes mid-renewal: expect fee or service-agreement proposals
- Insurers trimming loss-making group accounts and extras
- Lower commission ≠ lower premium. Medical trend is still ~10%
- Revised rules in December squeeze Jan–Feb renewal work

DO THIS NOW

1. Start in December: ask for 12 months of claims data
2. Ask your adviser, in writing, how they're paid today and after the caps
3. List what you get: claims support, analytics, wellness, helpdesk
4. Keep an advisory-fee line in the FY 2027-28 budget
5. Avoid long service contracts until final rules are out
6. Renew on your claims numbers, not on rumour

Sources: IRDAI consultation paper, 23 Sep 2026; Moneycontrol via NewsBytes, 16 Nov 2026; Asia Insurance Post; Khaitan & Co.; Mondaq; Aon Global Medical Trend Rates 2027 (India 10.1% gross). Proposals only; final rules may differ.



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