

3 Encl: (iii) : Additional Issues:

We have come to know that IRDA has shown two other reasons; in addition what is communicated by the letter of MOF: These are; (i) Membership Issue of one Mr. Satish Saran, and (ii) Process Audit by M/S. Anandam & Co., of IISLA accounts for the years 14-15, 15-16 and 17-18. The following are the facts of the issues referred:

(i) Membership Issue of one Mr. Satish Saran:

IRDA was informed the status as follows through mail dt. Dec 23,2019;

1. Mr. Satish Saran, SLA 819; has applied for Membership of IISLA on the prescribed application form duly selecting - Category of Membership as Associate. Application date:05-12-2015. Notarised affidavit dt.28-11-2015 states clearly that "in the event of my enrolment as a Associate / Licentiate / Student Member, I sincerely state on oath and undertake as follows". Thus the applicant has knowingly and willingly applied for an Associate Membership of IISLA, and there has been no discrimination in allotting membership to him.

2. Later he complained and pleaded for Fellow Membership, quoting provision of AOA and Surveyor Regulations 2015 of IRDA. AOA of IISLA does not provide for direct admission of 'Fellow Member', except through 3(d) of AOA.

"Notwithstanding anything contained in a) and b) above, any person holding a valid licence for a period of 15 years as Insurance Surveyor and Loss Assessor as defined herein and categorised as defined herein shall on application to the Institute, within a period of 60 days from the date prescribed by the Council of the Institute and subject to the approval by the Council obtain Fellow Membership".

3. In this case, there has been no such call for applications and period prescribed for 'Fellow Membership', and hence the applicant claiming under such specific provision clause, does not arise. Anyhow, 'subject to approval by the Council' is not met, as IISLA Council, did not approve his plea for 'Fellow Membership'.

4. His WP, Honourable Court orders, IRDA directive on the issue are all matter of record, and we have no additional comments to make.

5. IISLA Membership Committee considered the issue of 'Fellow Membership' to Mr. Satish Saran, SLA-819 and an Associate Member with Membership No.A/E/08686; and agreed to award Fellow Membership, setting aside the requirement of 'training hours', from the day of generating the receipt of difference amount. This order was passed on 23-09-2019.

This decision was already conveyed to the member, and on complying with the same, the membership can be upgraded to "Fellow Member". The plea of the applicant to award Fellow Membership from his date of joining him in IISLA is not practicable, for the reasons explained above.

For the reasons explained above, there has been no lapse or discrimination in dealing the issue, and the factual position is submitted to the Authority, in response to their earlier reference to us on the issue.

Thus as explained above there was no inaction or discrimination or arbitrariness in the decision of IISLA, hence citing this issue as the reason for amending the Act, doing away with membership of IISLA as mandatory provision in the Act; is just unthinkable, illogical and least expected from the authority of the stature of a Regulator of Insurance Industry.

(ii) Process Audit by M/S. Anandam & Co., of IISLA accounts for the years 14-15, 15-16 and 17-18.

IISLA CC has taken note of this report, and made serious efforts to set things in order. We have overcome the deficiencies pointed in the report; and in fact on the verge of getting another independent audit with particular reference to the rectification and compliance issues reported in the said report. Such audit is scheduled for 2 or 3rd week of March, once the ongoing interim audit (Statutory for 19-20 accounts - covering upto Dec 2019) is complete.

This again is a simple Management functional deficiency, which is now being rectified. We do not see any logic to consider this as a reason to such drastic decision by Authority to seek amendment of Act - which will have far reaching consequences in the insurance industry; in ensuring availability of properly skilled, updated and dedicated professionals of SLAs to service the claims of policy holders.

Various Committees, while contemplating the formation of IISLA, have opined that Govt. needs to promote and Industry shall hold hands in supporting IISLA, in the initial formation years. This did not happen and on other hand IISLA has been facing severe hostile atmosphere in the Industry, which are reflected in the successive Surveyor Regulations since 2000, which have been distinctly different with each successive steps, and more often than not in conflict with the Act and aspirations of the SLA professionals.
