



IRDAI has imposed a fine of Rs.24 lakh on online insurance intermediary for violating advertisement norms.



The web aggregator allegedly sent misleading information to about 10 lakh customers through SMS in which the company recommended that people should buy term insurance policies before April 10 due to possibility of a hike in insurance premium. The messages reads like this - "Life insurance prices are set to increase from 10th April, save up to Rs.1.65 lakhs by buying Term Plan today!"



The SMS had the potential to cause unnecessary panic among customers and force them to buy policies on news of an increase in future premium payments, said IRDAI.



Moreover, Policybazaar did not mention its full name in SMS. The messages were sent under the name POLBAZ, found IRDAI.

As per the regulation, every advertisement shall state the full name of insurer/intermediary/agent. "Policybazaar being a regulated entity ought to have known that the regulations must be complied in letter and spirit," said the IRDAI order.