

Sr. No.	Section	Key highlights
1.	Overview	• The IRDAI has noted that insurance sector has done well in terms of absolute business growth, however, it has not yet fully addressed India's evolving insurance needs, particularly in the context of economic growth and rising income levels. • The digital ecosystem provides an opportunity to complement the traditional "insurance is sold" model with the "insurance is also purchased" model.
2.	Introduction	1. The Consultation Paper outlines the objectives of the SBSR Act in terms of accelerating sector growth and development, strengthening policyholder protection, improving ease of doing business for insurers, intermediaries and other stakeholders, and enhancing transparency in regulation-making and regulatory oversight. 2. IRDAI has noted that insurance growth remains inadequate relative to India's economic growth and unmet protection needs, with industry growth broadly tracking GDP rather than outpacing it. 3. The two largest life insurers account for 65% of the market and the bottom 15 life insurers have significantly smaller share of total 5%. 4. The top 10 general insurers account for around 68% and the remaining 24 insurers have only 32%. 5. Coverage in terms of number of policies has not grown enough where individual life policy numbers have remained broadly stagnant over the last decade, while general insurance coverage, despite growth, remains insufficient to bridge the protection gap. 6. The Cost of Doing Business (CoDB) remains high, particularly for smaller insurers adversely affect value delivered to policyholders. • For life insurers, excluding the two largest players whose CoDB is 10% - 12%, the CoDB for other life insurers is around 22% (range: 18% - 39%). • For general insurers, excluding the largest insurer with CoDB is 18%, the CoDB is around 29% (range: 20% - 48%) 7. The RBI Financial Stability Report of December 2025 recommended cost rationalisation, alignment of intermediary incentives with persistency and policyholder value, greater use of technology-enabled low-cost distribution with the objective of moving the sector from a "high-cost, low-inclusion" model towards an affordable-cost, broad-inclusion and high-quality model.

		8. Economic Survey 2025–26 identified rising acquisition costs, high operating costs and dependence on expensive intermediary networks as constraints on insurance inclusion and consumer value and emphasised reducing overall costs and distribution outgo, improving affordability, reaching the “missing middle”, and increasing use of digital distribution.
3.	Challenges of the Insurance Sector	IRDAI has identified ten key challenges in the existing insurance distribution and remuneration ecosystem forming basis for the proposed reforms. 1. Sector growth has not kept pace with insurance needs • Despite premium growth, insurance penetration remains inadequate, with the “missing middle”, informal workers and MSMEs remaining underinsured resulting in missed opportunity. 2. Interests of insurers, distributors and policyholders are misaligned • Information asymmetry and varied remuneration structures incentivise distributors to prioritise higher-paying products over suitability and customer value resulting in the need to align distributor remuneration with customer needs, distribution effort and policyholder outcomes, rather than the level of payout alone. 3. Sector incentives are aligned to business growth instead of value for the public • Current incentive structures predominantly reward new business acquisition, while there is nil to low rewards for good market conduct necessitating its alignment with persistency, claims efficiency, grievance management, service quality and other customer outcomes. 4. Sales are commission-led instead of pricing and quality led • Broker-sourced general insurance premium grew by 37%, against a 173% increase in commissions between FY23 to FY25 whereas Motor TP commissions rose from 4.3% to 22%, while commissions on certain long-term de-tariffed fire and health products are closed to 100%, creating EoM and capital pressures raising the need to encourage pricing- and quality-led competition. 5. High-cost and uncertain service quality is weakening trust and limiting coverage • High acquisition costs and multiple distribution layers increase the cost of insurance without necessarily improving customer experience, while post-sale servicing is not adequately reflected in remuneration, therefore, there is a need to lower structural costs while improving service quality, to make insurance affordable, dependable and capable of supporting wider voluntary coverage.

		6. Leverage of large and more organised distributors is constraining insurers' options to compete - Concentration of business with large distributors has increased their bargaining power and can result in higher payouts driven by control over customer access rather than distribution effort, necessitating to ensure that distributor remuneration reflects actual effort, advice and servicing, rather than bargaining power arising from control over customer relationships. 7. Regulatory arbitrage has led to non-level playing field for insurers and distributors - Multiple categories of intermediaries performing substantially similar functions are subject to different entry requirements, compliance obligations and permissible activities, creating scope for regulatory arbitrage and the IRDAI proposes a "same activity, same regulation" approach to promote a level playing field, consistent supervision and ease of doing business. 8. Lack of transparency about performance of products, insurers and distributors is constraining public's ability to make informed purchases - Customers have limited access to simple, comparable information on pricing, product features, exclusions, insurer performance and distributor remuneration. - In general insurance industry, direct online channels account for only around 2% of general insurance premium, compared with 33% through brokers and 30% through individual agents resulting in the need for greater transparency and digital infrastructure to enable informed comparison, technology-enabled purchasing and stronger market discipline. 9. Customer power, in the imperfect market, is not at play - Customers often lack the information and negotiating power to effectively compare price, quality, claims performance and returns, resulting in purchase decisions being influenced by brand and distribution rather than underlying product value, therefore, there is a need to strengthen customer power through transparency, simplified comparisons, digital access and meaningful choice throughout the policy lifecycle. 10. Reforms of 2023 have not achieved their dual objectives of enhancing benefits for policyholders and improving insurance penetration - Distribution costs have risen to historically high levels without a commensurate expansion in insurance coverage and key concerns include the calculation of EoM on total GWP, variations in Board-approved commission policies and concentration of expenditure in high-cost channels, necessitating the need to revisit the EoM framework to prevent entity-level flexibility from resulting in
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4.	Distribution Reforms – A compelling Priority	• IRDAI has considered the existing distribution architecture a structural constraint, as growth in premium income has not translated into a corresponding increase in insurance penetration or reduction in the protection gap. High acquisition costs, fragmented structures, unequal regulatory treatment and volume-driven incentives have affected affordability, trust and customer outcomes. • The proposed reforms therefore seek to create a more efficient, transparent, competitive and technology-enabled distribution framework, leveraging digital platforms, interoperable public infrastructure and data-driven underwriting to reduce costs and enable informed customer choices. • The reforms are thus positioned as a broader structural transformation, aimed at expanding coverage and supporting sustainable sector growth, rather than merely revising commissions or intermediary regulations.
5.	Strategic Framework for Reforms	IRDAI has identified the following ten strategic objectives to guide the proposed distribution reforms: 1. Eliminate scope for regulatory arbitrage • Ensure entities performing similar functions have the same entry/capital requirements, business scope, obligations and regulatory treatment, while enabling premium payment directly to insurer with direct and verified customer–insurer interaction before policy issuance. 2. Remove restrictions on non-insurance business opportunities for intermediaries • Allow intermediaries to distribute non-insurance products to create additional income opportunities and reduce dependence on insurance commissions. 3. Ease-up entry and capital requirements • Revisit distributor capital requirements, recognising that distributors do not carry insurance risk, to facilitate easier entry and greater competition. 4. Reduce total expenses with a glide path • Reduce operational and distribution costs of insurers over a defined period to improve affordability and expand the insurance pool.

		5. Place caps on commission and rewards with a framework of effort & complexity, and aligned to removal of regulatory arbitrage • Introduce hard commission caps, linked to product complexity and effort, with stronger implementation and regulatory oversight. 6. Set-up Market Infrastructure Institutions to facilitate level-playing field for all stakeholders • Develop market infrastructure institutions that supports a fair, transparent, efficient and technology-enabled insurance ecosystem. 7. Create incentives for good market conduct • Encourage market participants to go beyond minimum compliance and consistently deliver fair treatment and better customer outcomes. 8. Build-in disincentives for bad conduct • Introduce proportionate action against conduct that compromises fair treatment and policyholder protection. 9. Ensure transparency by market design, and not as an option or through enforcement • Embed clear and accessible disclosure of products, costs, risks, processes and the performance of insurers and distributors into the market framework as an in-built market conduct standard. 10. Mitigate structural constraints and operational friction to customer power • Simplify customer journeys and enable customers to easily compare, switch, exercise rights and raise concerns without unnecessary barriers.
6.	Simplification of Architecture and Scope of Distribution	IRDAI has proposed to simplify the existing fragmented distribution architecture, which currently comprises multiple entity and individual categories with differing capital, scope, training and regulatory requirements. The reforms are guided by the principle of “same structure, same function, same norms”, with greater clarity between open and closed architecture. The key proposals include: 1. Distribution structure should have only three types of distributors – • IDEs: organisations/entities that distribute insurance, including existing corporate agents, brokers, IMFs, web aggregators, CSC-SPVs, etc.

		• IDPs: individuals or persons selling/advising on insurance, with four proposed classifications, namely, Insurance Agents, Insurance Associates, Specified Persons and PoSPs. • MIs: not-for-profit industry institutions promoted by insurers to provide common infrastructure and support a transparent, efficient and level-playing-field distribution ecosystem. Example - Bima Sugam India Federation. • The Authority has further clarified that PoSPs/MISPs that have the legal structure of a distribution entity would be registered as IDEs rather than continuing as PoSPs. 2. It has been proposed to reduce the Capital requirement at the entry level, and to be linked to business volume for subsequent years. IDE entry capital is proposed at INR 10 lakh, with an additional bank deposit under lien in favour of IRDAI equal to 0.1% of prior-year commission and other insurance-related income, subject to a minimum of INR 10 lakh and maximum of INR 10 crore, to be reset every three years and funded through capital/internal accruals; positive net worth must be maintained at all times. For MIs, capital requirement is proposed at INR 25 crore. 3. Registration should be made easier – IDE and MI registration is proposed to be perpetual, subject to annual fees, replacing periodic renewal, with a simplified and standardised IT-enabled process. Separate approval/registration of individual IDPs by IRDAI would be removed, with a centralised functional identity generation mechanism proposed. 4. Fee structure should be uniform and linked to business volume – A uniform INR 10,000 application-cum-registration fee and annual fee linked to commission/other insurance-related receipts is proposed for IDEs, replacing differentiated fee structures (Higher of INR 10,000 or 0.04% of commission and other receipts from insurers and clients in previous financial year). 5. Scope of Business should be same for distributors of similar distribution type – All IDEs would have the option to adopt open architecture, allowing them to distribute products of multiple insurers without numerical limits and across insurance products, subject to having adequate skilled IDPs. 6. There should be a sharper distinction between open and closed architecture – IDPs engaged by insurers would remain primarily under closed architecture, while being permitted to represent insurers in non-competing segments. IDPs engaged by IDEs would operate within their respective IDEs, with PoSPs not permitted to work with multiple IDEs. 7. Scope of business should be expanded by allowing non-competing business – IDEs and IDPs would be permitted to distribute non-insurance financial products and undertake non-financial products/services,
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		subject to the requirements of the relevant sectoral regulators, creating additional business and income opportunities. 8. Qualification and training requirement for distribution persons should be improved with significant expansion of number of testing centres – Minimum qualification for new IDPs is proposed at Class 12, with 100 hours of training for each insurance segment (life and general) and enhanced online testing. Persons who have been in the profession for 5 years or more may undergo a shorter refresher module and take the online test, while those who joined within the last 5 years without Class 12 qualification are encouraged to obtain it through distance education. Standard training content would be developed by the Insurance Councils and testing facilities expanded widely, including at the taluka/block level. 9. Regulatory expectations should be set-out in unambiguous terms – IDEs would be accountable for their IDPs and responsible for onboarding, training, functional identification, policy-level tagging, customer authentication and risk disclosures. IDPs would have to disclose their identity, assess customer needs and suitability and comply with training/certification requirements. Agents/Associates would be required to recommend suitable products rather than products offering higher commission. Distributors would also be prohibited from handling customer money and, subject to specified exceptions, directly charging customers commissions/service fees. 10. Opportunities for distribution of insurance products should be expanded – Hospitals may distribute health insurance as IDEs, subject to safeguards and lower commission limits, while non-dealer automobile garages may distribute motor insurance as associates of insurers. However, entities such as TPAs and surveyors performing exclusive claims functions would not be permitted to sell insurance. 11. Insurers may also act as insurance distribution entities with safeguards – Insurers may distribute products of their group insurance company in non-competing segments through branch employees only and entailing lower commissions, subject to safeguards and lower commission limits; such distribution cannot be undertaken through an IDE or IDP.
7.	Expenses Management Framework of	1. The IRDAI has noted that the current EoM framework, is conceptually sound, but has under-delivered on its objectives and has seen many work arounds including the rise of the actual expenses of management over the years. • In life insurance, expenses fell steadily from 21.3% of gross premium in FY15 to a low of 16.5% in FY21, before reversing course to reach 20.2% in FY26, nearly back to where the decade began. • The pattern in general insurance is sharper: from 30.3% in FY15, the ratio declined to around 25% by FY19, but has since climbed to 32.1% in FY26, even more than the pre 2016 level.

		2. The proposed reforms include: • EoM calculations will be Gross Expenses as a percentage of Gross Direct Premium Income (GDPI) in the country and not Gross Written Premium (GWP). Gross commissions (GC) will continue to be used, eliminating the inward reinsurance from the calculation. • In the case of reinsurance cessions any payments other than claims settlement, received from a reinsurer by a cedant shall fall in the category of reinsurance commission. • EoM framework is aimed at gradually reducing the overall expenses of insurers. • In line with the above-proposed reduction in the EoM of insurers, the regulatory fee on insurers by the Authority should also be reduced from 0.05% to 0.04% of the premium subject to a maximum of INR 20 crore. • The extreme variation in operating expenses other than commission points towards the need for participants to rationalize these costs. • PMFBY has seen severe competition, more for the reasons of achieving compliance to EoM rather than any clear strategy to underwrite this key priority line of business. • Cost audit of all expenses of insurers including all pay-outs and non-monetary incentives to intermediaries should be made mandatory. • It shall be mandatory for IDEs having insurance related revenue above INR 50 crores to publicly declare key accounting parameters such as revenue, expenses, related party payments, PAT etc. on their website. • The EoM norms will be reviewed along with products reforms which are likely to follow during FY2028 to allow sufficient time for insurers and distributors to settle in to the reformed structure. • Importantly, it has been proposed by the Authority that those insurers that do not get converged on the EoM ceiling by the scheduled dates should face graduated supervisory consequences such as restrictions on new product launches, restrictions on dividend distribution, and in extreme cases restrictions on new business through the channel responsible for the over run.
8.	Distribution Commission Framework	IRDAI proposes to recalibrate distribution commissions within the EoM framework, moving away from the flexible commission regime introduced in 2023 towards hard caps, greater transparency, cost discipline and stronger accountability.

		1. Differentiated commission caps: Commission limits would vary based on open/closed architecture, product complexity, distribution effort and customer value. Proposed Principles for Distribution Commissions are as follows: • Open-architecture distributors should have lower commission caps to discourage commission-led sales. • Closed-architecture distributors may have relatively higher caps to compensate for restricted product choice. • Mandatory/near-mandatory and simple products should attract nil or very low commissions. • Complex and difficult-to-sell products should have higher limits. • Sales in rural areas, towns up to 50,000 population and smaller cities up to 10 lakh population may receive rewards over normal commission limits. • Group products would have lower commissions than individual products. • Renewals of products with high customer awareness should attract significantly lower commissions than first-time sales. • Commission-led portability of health/motor policies should be discouraged, • Life commissions should incentivise multi-year policy persistency rather than first-year premium collection. • Single premium products and products with tax incentives should have lower commissions. • Lower and transparent commissions for commercial insurance products. • Commission should cover all direct and indirect payments, including incentives, awards, selling-expense reimbursements, related-party brand payments, gifts and trips irrespective of how the payment is described. • PoSP commissions must come out of the IDE's commission • Commission structure should progressively move from layered distribution to a single-level distribution model. Key Distribution Commission reforms include: 1. Mandatory Cost Audit for all Insurers and Large Distributors
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9.	Transparency in pricing and quality led purchases	IRDAI has emphasised that commission caps and EoM limits alone are insufficient; high transparency on product features, pricing, service/claims quality and distributor conduct is necessary to build policyholder trust and shift insurance from a commission-led sale to a pricing- and quality-led purchase. 1. Transparency in product details, pricing and performance • Insurers should disclose product features, pricing, performance and quality information in standard, simple and comparable formats, without requiring personal details or using access to information for lead generation which is one of the “dark patterns” and are proposed to be prohibited. • LI Council and GI Council to develop standard one-page product information sheets and FAQs for each insurance product class where policy wordings to supersede such information sheets. • Standard definitions and disclosure of product performance, quality parameters, claims, service quality and grievance redressal as subsidiary instructions. • Dissemination of product, pricing and quality information is proposed to be made a regulatory requirement and access to information should not be used as a lead generation opportunity.

		• Insurers and IDEs to formulate a policy for payment of commissions including rewards and related payments and also publicly disclose such Board approved commission/reward policies, with easy website access. 2. Transparency in Market Conduct • A direct and verified customer–insurer connect should be established before policy issuance, irrespective of the distribution channel chosen by the customer. • “Know Your Insurer” and “Know Your Distributor” mechanisms have also been proposed to strengthen customer accountability. 3. Money should move to where it belongs • Premiums should move directly from the customer’s account to the insurer directly, except Bima ASBA. • UPI or Credit or Debit Card or bank account of the customer only should be used to pay the premium. • Funds flow between insurer and reinsurer should also happen directly. • UPI or Credit or Debit Card or bank account of the customer only should be used to pay the premium. • Payment of claim amount should also be directly to verified bank account of the policyholder or the nominee. 4. Timely payment to Distributors • Distributors should receive commissions no later than the day after the free-look period, if applicable. • Insurers should strive to make payments within 7 days of receiving the premium. • Claw-back arrangements may be used to recover excess commissions where policies are cancelled. • Any delay in commission payment should attract interest, charged to operating expenses.
10.	Safeguards against compulsory bundling	1. Prohibition of compulsory bundling

	of insurance products with other financial products and services	It is proposed to prohibit compulsory bundling of insurance products by banks and NBFCs, registered with the authority as IDEs, along with their products and services. Package offers with specific and demonstrable gains to the customer are proposed to be allowed. 2. Permitted package offers are: • Complementary group term insurance for depositors/borrowers meeting specified thresholds. • Credit cards bundled with term, travel or accident insurance without additional charges beyond the normal card fee. • Bank customers being offered group health insurance at a specified premium, with disclosure of the commission earned by the bank. • Loans offering a lower interest rate where the borrower provides additional term-life insurance equal to the loan amount or property insurance for the financed property, subject to safeguards. 3. Safeguards for insurance-linked loan offers • Borrowers must be informed of the interest rate with and without insurance • It cannot be required to purchase insurance from the lending bank/NBFC and must pay the insurance premium separately and directly from their own account/card, rather than from the loan amount. • Packaging critical illness cover with home/motor loans is discouraged due to potential cost inefficiency. 4. MSME insurance coverage • For MSMEs, the existing INR 5 crore risk-cover limit is proposed to be removed, allowing banks/NBFCs to offer property insurance up to the property value for MSMEs, even where this exceeds the financing provided • Any pure protection life insurance offered should not exceed the loan amount and would be subject to a lower commission limit.
11.	Creating awareness against mis-selling	IRDAI identifies mis-selling as a major source of unfair business practices, premature surrender of life policies and loss of public trust and proposes specific regulatory guardrails and awareness measures.

		- Suitability as an enforceable obligation - Insurers and IDEs should have a detailed suitability framework, with documented needs/suitability analysis and audit trail mandatory for life insurance sales above a defined ticket size. - Where customers choose a different product from the one recommended, the reasons should be recorded. - Customer consent/signature should not absolve the distributor/insurer from responsibility for unsuitable sales, including presenting savings/endowment products as fixed deposits. - Banning incentive structures that promote mis-selling - All direct/indirect and monetary/non-monetary remuneration should be treated as commission, with volume- or reward-linked incentives for bank/NBFC staff selling insurance prohibited. - This would cover incentives such as foreign/domestic trips, luxury gifts, milestone bonuses and contest rewards that may create conflicts with customer suitability. - Identifying individuals behind mis-sold policies It is proposed to tag functional identity of specified persons or sales person or PoSP of IDE, or of an agent or associate of an insurer with the policy sold by the concerned person and placing the information on incidences of mis-selling in public domain as a part of performance of the concerned person. - Mis-selling should also trigger commission claw-back by insurers.
12.	Streamlining Motor Insurance	IRDAI has identified motor insurance as an area where limited pricing transparency and high commissions persist despite third-party insurance being mandatory and new-vehicle products requiring relatively little selling effort. - Promote digital purchases by customers - Motor insurance for new and old vehicles should be available on MII platforms such as Bima Sugam, with fees capped at 5% of premium. - Mandate IDE registration for eligible MISP dealers. - MISP dealers structured as companies, LLPs, cooperatives or registered partnerships must register as IDEs to sell insurance and may offer products of multiple insurers.

		3. Simplify the route for other MISP dealers. • Proprietorships/unregistered partnerships must operate as PoSPs of an IDE or associates of a single insurer. • PoSPs can offer insurers tied to the IDE, while associates can offer only the product of the tied insurer. 4. Strengthen customer choice and accountability. • Motor dealer IDEs/PoSPs will have specific regulatory obligations to enable informed insurance choices, with violations attracting regulatory consequences. 5. Facilitate access to MII platforms. • Dealers must prominently display the MII purchase option/QR code, inform new-vehicle customers about it, and share the customer's registration-linked mobile number with PIR for verification and post-event communication. 6. Ensure fair market conduct. • Dealers cannot deny cashless repairs because insurance was purchased elsewhere and cannot enter OEM/IDE arrangements, including sales-linked incentives, that operate against policyholder interests. 7. Lower commissions on low-effort products. • Mandatory third-party insurance and easily sold new-vehicle motor insurance should carry significantly lower commissions.
13.	Market Infrastructure Institutions for Insurance: A fully digital pull-based alternative for insurance distribution	1. MIIs as systemic interventions • IRDAI has proposed Market Infrastructure Institutions (MIIs) promoted by insurers to transform the economics of insurance distribution, similar to infrastructure such as stock exchanges, depositories, clearing corporations, UPI and credit bureaus in other financial sectors. 2. Bima Sugam as an MII • Bima Sugam is identified as an MII for insurance, with all except three insurers being shareholders in the Bima Sugam India Federation.

		• IRDAI expects the platform to become fully operational at the earliest, offering a wide range of life and general insurance products. 3. Scope for multiple MIIs • IRDAI envisages additional MIIs promoted by different groups of insurers to foster competition and innovation, with the overarching objective of maximising customer value while ensuring profitability of insurer. 4. Ownership and governance structure • MIIs should be not-for-profit with broad insurer participation; at least 11 insurers should establish an MII, with no insurer having significant beneficial ownership. • Once operational, each insurer should hold less than 10% share/voting rights. • A lead promoter may hold up to 20% initially, reducing to 15% within 5 years and below 10% within 7 years. 5. Preferred, low-cost digital distribution • MIIs may receive preferred distribution status as neutral, cost-effective digital platforms, but must operate with transparent fees significantly below prevailing commission rates. • They should provide a level playing field for insurers to compete transparently on product features, pricing, performance, claims settlement and grievance redressal quality.
14.	Public Insurance Registry as the business-facing digital infrastructure	1. PIR as Digital Public Infrastructure for Insurance • PIR is proposed as an MII promoted by IRDAI to support the SBSR Act and distribution reforms, with the objectives of growth and inclusion, trust and transparency, and affordability and financial sustainability. 2. Enabling customer-facing MIIs • PIR will serve as the national, business-facing digital infrastructure for insurance, enabling platforms such as Bima Sugam by allowing market participants to discover, verify and exchange insurance information consistently, thereby reducing information asymmetry. 3. Improving sector efficiency and competition

		- As a population-scale, interoperable and non-exclusionary infrastructure, PIR is expected to drive productivity, innovation and wider coverage while reducing the cost of doing business, creating a level playing field and supporting appropriate incentives/disincentives for market conduct. 4. Enabling a shift to digital, customer-led insurance - PIR is intended to support the transition from “insurance is sold” to “insurance is also bought” by enabling population-scale digital purchases through market infrastructure platforms. 5. Verified information and seamless digital purchasing - PIR will provide verified information on products, insurers and intermediaries, enabling customers to make informed choices based on their needs and budgets, while supporting seamless digital purchase experiences and policy portability.
15.	Insurance Education and Awareness	1. Strengthening policyholder awareness - Policyholders should be aware of their rights including the right to access product, pricing and performance information, including insurer claims/grievance performance and distributors performance and conduct, as well as their obligations to disclose risks accurately and undertake prudent risk mitigation/loss management. 2. Policyholder Education and Protection Fund (“Fund”) - Activities under the recently established Fund should complement the distribution reforms and strengthen insurance awareness among the public.
16.	Reforms Objectives, Measures, and their Assessment	The proposed reforms build on the 2016 and 2023 reforms with necessary course correction, with the objective of addressing key structural issues in insurance distribution and improving customer outcomes. 1. The reforms seek to directly address 4 challenges - Regulatory arbitrage, commission-led sales, incentives focused on business growth rather than public value, and the bargaining power of large distributors. 2. The reforms partially address 3 challenges - Misalignment of interests of insurers, distributors and public, high costs and poor service quality affecting trust and coverage, and weak customer power; they also lay the groundwork for greater transparency.

		3. Implementation The reforms are intended as a multi-year effort, requiring sustained commitment, transparency and accountability from both insurers/distributors and the regulator.
17.	Comparative Analysis of Insurance Distribution Space	The Comparative Analysis of the Insurance Distribution Space is provided in the Annexure to Part 1 of the Consultation Paper.