

PRESS RELEASE

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IRDAI releases 2021-22 - List of Domestic Systemically Important Insurers (D-SIIs)

LIC, GIC Re and New India continue to be identified as Domestic Systemically Important Insurers (D-SIIs), as in the 2020-21 list of D-SIIs.

The list of D-SIIs for the year 2021-22 is as follows:

- 1. Life Insurance Corporation of India;**
- 2. General Insurance Corporation of India; and**
- 3. New India Assurance Co. Ltd.**

Background

1. Domestic Systemically Important Insurers (D-SIIs) refer to insurers of such size, market importance and domestic and global inter connectedness, whose distress or failure would cause a significant dislocation in the domestic financial system. Therefore, the continued functioning of D-SIIs is critical for the uninterrupted availability of insurance services to the national economy.
2. D-SIIs are perceived as insurers that are 'too big or too important to fail' (TBTF). This perception and the perceived expectation of government support may amplify risk taking, reduce market discipline, create competitive distortions, and increase the possibility of distress in future. These considerations require that D-SIIs should be subjected to additional regulatory measures to deal with the systemic risks and moral hazard issues.
3. Given the nature of their operations and the systemic importance of the D-SIIs, these insurers have to carry forward their efforts on the following:
 - (i) Raise the level of corporate governance;
 - (ii) Identify all relevant risks and promote a sound risk management framework and culture.
4. D-SIIs are being subjected to enhanced regulatory supervision.