



**MINUTES OF THE 125th
MEETING OF THE AUTHORITY**

held on 19th March 2024 at 11.00 AM at Hyderabad

Present:

Chairman	Shri Debasish Panda
Whole-time Member	Shri Parmod Kumar Arora
Whole-time Member	Shri Thomas Devasia
Whole-time Member	Shri B.C Patnaik
Whole-time Member	Shri Rajay Kumar Sinha
Part-time Member	Dr. Maruthi Prasad Tangirala
Part-time Member	CA Ranjeet Kumar Agarwal (Virtual Mode)

Also present:

Designated Officer	Smt. B Padmaja
Board's Secretariat	Shri Ronanki Venkatesh

The Chairman extended a warm welcome to all the Members present. He welcomed Shri Rajay Kumar Sinha, who was attending the meeting for the first time after his appointment as Whole-time Member (F&I). The Chairman placed on record contributions of Smt. S.N. Rajeswari, who was the Whole-time Member of the Authority until 3rd March 2024 and CA Aniket Sunit Talati, former Part-time Member, whose tenure ended as President of ICAI on 12th February 2024. He extended warm welcome to CA Ranjeet Kumar Agarwal, the incumbent President of ICAI who is attending the Authority's meeting for the first time. After ascertaining that the requisite quorum was present, Chairman started the deliberations.

In his brief opening remarks, the Chairman touched upon the industry's performance in terms of premium garnered upto February 2024 which was ₹ 9.70 lakh crore with

a growth rate of 7.2% over the corresponding period previous year. While the life insurers grew at 5.19%, general insurers grew at 13.08%, the growth rate in the health segment was 20% with the five standalone health insurers recording a growth rate of 27%. The Assets Under Management (AUM) of the industry as on 31st December 2023 are around ₹ 64 lakh crore as compared to ₹ 59 lakh crore last year. The FDI inflow as on 31st December 2023 is ₹ 53,901 crore with insurance companies bring in ₹ 38,269 crore and FRBs bringing in ₹ 15,632 crore.

He further elaborated that as part of the comprehensive review of Regulations, one Regulation on expenses of management has been notified. Another eight Regulations are being taken up as agenda in the days meeting. Thereafter, agenda items were taken up.

4. Identification of Domestic Systemically Important Insurers (D-SIIs)

4.1 It was presented that as decided in the 107th Authority meeting held on 20th December, 2019, the process of identification of D-SIIs is carried out as an annual exercise in which insurers with the threshold score of 15% have been designated as D-SII. On the same lines, the following insurers are proposed to be designated as D-SII:

1. Life Insurance Corporation of India
2. General Insurance Corporation of India
3. The New India Assurance Co. Ltd.

4.2 The agenda was approved.

5. IRDAI (Rural, Social Sector and Motor Third Party Obligations) Regulations, 2024

5.1 A presentation was made on the draft regulations wherein the following Regulations were proposed to be merged:

1. IRDAI (Obligations of Insurers to Rural and Social Sectors) Regulations, 2015

2. IRDAI Obligations of Insurer in respect of Motor Third Party Insurance Business) Regulations, 2015

5.2 It was highlighted that the objective of these Regulations is to specify minimum rural and social sector business that the insurers are required to underwrite under section 32B and 32C of the Insurance Act, 1938 and minimum third-party motor insurance business that the insurer carrying on general insurance business is required to underwrite under section 32D of the Insurance Act, 1938. Changes proposed were presented.

5.3 The agenda was approved.

6. IRDAI (Bima Sugam - Insurance Electronic Marketplace) Regulations, 2024

6.1 It was presented that Bima Sugam – Insurance Electronic Marketplace, a Digital Public Infrastructure, is envisaged to be a one-stop solution for all Insurance stakeholders. The proposed regulations lay down broad principles towards regulatory framework for establishment, governance and functioning of Bima Sugam.

6.2 It was highlighted that the objective of these Regulations is to laydown a regulatory framework for Bima Sugam which would facilitate achievement of vision of Insurance for all by 2047. It is also aimed at universalisation and democratisation of insurance and empowering the policyholders.

6.3 The agenda was approved.

7. IRDAI (Registration, Capital Structure, Transfer of Shares and Amalgamation of Indian Insurance Companies) Regulations, 2024

7.1 A presentation was made on the draft regulations wherein the following Regulations were proposed to be merged:

1. IRDAI (Registration of Indian Insurance Companies) Regulations, 2022
2. IRDAI (Other Forms of Capital) Regulations, 2022

3. IRDAI (Manner of Assessment of Compensation to Shareholders or Members on Amalgamation) Regulations, 2021
4. IRDAI (Issuance of Capital by Indian Insurance Companies transacting other than Life Insurance business) Regulations, 2015
5. IRDAI (Issuance of Capital by Indian Insurance Companies transacting Life Insurance business) Regulations, 2015
6. IRDA (Scheme of Amalgamation and Transfer of Life Insurance Business) Regulations, 2013
7. IRDA (Scheme of Amalgamation and Transfer of General Insurance Business) Regulations, 2011

7.2 It was highlighted that the objective was to promote growth of insurance sector by simplifying the process of registration of insurer, facilitate ease of operations and ease of doing business. Changes proposed were presented.

7.3 The agenda was approved.

8. IRDAI (Corporate Governance for Insurers) Regulations, 2024

8.1 A presentation was made on the draft regulations wherein the following Guidelines/Circulars were proposed to be merged:

1. Guidelines for Corporate Governance for Insurers in India, 2016;
2. IRDAI (Remuneration of Non-Executive Directors of Insurers) Guidelines, 2023;
3. IRDAI (Remuneration of Key Managerial Persons of Insurers) Guidelines, 2023;
4. Revised Guidelines on Stewardship Code for Insurers in India, 2020, and
5. Circulars issued on Appointment or Continuation of Common Director(s) u/s 48A of Insurance Act.

8.2 It was highlighted that the objective of the Regulations is to provide the governance structure for Insurers which adopts sound and prudent principles and practices for governance. Changes proposed in the Regulations were presented.

8.3 The agenda was approved.

9. IRDAI (Insurance Product) Regulations, 2023

9.1 A presentation was made on the draft regulations wherein the following Regulations were proposed to be merged:

1. IRDAI (Micro Insurance) Regulations, 2015
2. IRDAI (Minimum Limits for Annuities and Other Benefits) Regulations, 2015
3. IRDAI (Acquisition of Surrender and Paid up Values) Regulations, 2015
4. IRDAI (Health Insurance) Regulations, 2016
5. IRDAI (Unit Linked Insurance Products) Regulations, 2019
6. IRDAI (Non-Linked Insurance Products) Regulations, 2019

9.2 It was highlighted that the objective was to facilitate ease of doing business for the insurers; enabling them to design innovative products to cater to the requirements of different segments/strata of the society and provide wider choices to the policyholders; respond quickly to the market dynamics while also considering the interests of policyholders.

9.3 The agenda was approved.

11. IRDAI (Registration and Operations of Foreign Reinsurers Branches & Lloyd's India) Regulations, 2024

11.1 A presentation was made on the draft regulations wherein the following regulations are proposed to be merged:

1. IRDAI (Registration and Operations of Branch Offices of Foreign Reinsurers other than Lloyd's) Regulations, 2015
2. IRDAI (Lloyd's India) Regulations, 2016

11.2 It was highlighted that the objective was to promote orderly growth of the reinsurance sector in India, to promote and harmonize the current legal and

regulatory framework in relation to the various aspects governing entities engaged in reinsurance operations in India. Changes proposed were explained.

11.3 The agenda was approved.

12. Denotification of extant Tariffs pertaining to Fire, Motor and Engineering, Workmen's Compensation and other classes of insurance business

12.1 It was presented that tariffs applicable to Fire, Engineering, Motor, Workmen's Compensation were withdrawn effective from 1st January 2007. Under Section 14 (2) (i) of IRDA Act, 1999, it was notified that the general regulation of advantages, terms and conditions (other than those relating to premium/rating) would continue to be applicable to above lines and Marine Hull. As per the amended section 64ULA of Insurance Act 1938, rates, advantages, terms and conditions shall be in-force till they are de-notified by the Authority.

12.2 Tariff and the general regulation of advantages, terms and conditions in case of Fire and Allied perils were de-notified on 28th December 2020. Provisions as regards arbitration clause in general regulation of advantages, terms and conditions in all risks were de-notified vide notification dated 22nd January 2024.

12.3 As the procedures governing product design, rating, product management and other related aspects are being modified vide IRDAI (Insurance Products) Regulations, 2024, de-notification of all existing tariffs under General Insurance Business is being proposed w.e.f 1st April 2024.

12.4 The agenda was approved.

13. Annual Statement of Accounts for 2022-23

13.1 It was presented that the IRDAI Annual Statement of Accounts for FY 2022-23, after duly addressing enquiries issued during preliminary audit, was submitted to C&AG. Separate Audit report of C&AG is awaited. As per the communication from C&AG earlier, the audited annual accounts need to be placed before the Authority

for consideration and adoption. It was proposed that the Chairman be authorized to address further queries, if any, from C&AG and forward the C&AG certified Annual Statement of Accounts of the Authority for the year 2022-23 together with the Separate Audit Report to the Central Government.

13.2 The agenda was approved.

14 Budget for the Financial year 2024-25

14.1 Budget for FY 2024-25 was presented wherein fee from insurers was estimated to increase by 13.53% due to increase in registrations and gross premium and the total receipts is estimated to be ₹ 233 crore. Major line items of Revenue Budget included ₹ 50 crore allotted to advertisement and awareness campaigns and ₹ 9.65 crore allotted to IT-AMC. Under Capex, ₹ 18.95 crore was allotted to IT towards core network refresh charges for five years. The total expenditure was estimated at ₹ 341.12 crore with net surplus of ₹ 7.20 crore

14.2 The agenda was approved.

15. IRDAI (Actuarial, Finance and Investment Functions of insurers) Regulations, 2024

15.1 A presentation was made on the draft regulations wherein the following Regulations were proposed to be merged:

1. IRDAI (Actuarial Report and Abstract for Life Insurance Business) Regulations, 2016
2. IRDA (Distributions of Surplus) Regulations, 2002
3. IRDAI (Assets, Liabilities and Solvency Margin of Life Insurance Business) Regulations, 2016
4. IRDAI (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016

5. IRDAI (Appointed Actuary) Regulations, 2022
6. IRDAI (Investment) Regulations, 2016
7. IRDA (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002
8. IRDAI (Inspection and Fee for Supply of Copies of Returns) Regulations, 2015
9. IRDAI (Loans or Temporary Advances to Full Time Employees of the Insurers) Regulations, 2016

15.2 It was highlighted that the objective of these Regulations is to ensure that sound and responsive management practices are in place for effective discharge of actuarial, finance and investment functions; regulatory returns are prepared and reported in accordance with applicable standards, principles and policies, to provide a true and fair view of state of affairs of the insurers. Changes proposed in the consolidated regulations were presented.

15.3 The agenda was approved.

16. IRDAI (Protection of Policyholders' Interests and Allied Matters of Insurers) Regulations, 2024

16.1 A presentation was made on the draft regulations wherein the following Regulations were proposed to be merged:

1. IRDA (Manner of Receipt of Premium) Regulations, 2002
2. IRDAI (Places of Business) Regulations, 2015
3. IRDAI (Fee for Registering Cancellation or Change of Nomination) Regulations 2015
4. IRDAI (Fee for Granting Written Acknowledgement of Receipt of Notice of Assignment or Transfer) Regulations, 2015
5. IRDAI (Issuance of e-Insurance Policies) Regulations, 2016
6. IRDAI (Outsourcing of Activities by Indian Insurers) Regulations, 2017
7. IRDAI (Protection of Policyholders' Interests) Regulations, 2017

8. IRDAI (Insurance Advertisements and Disclosure) Regulations, 2021

16.2 It was highlighted that the objective of these Regulations is to ensure fair treatment of prospects and policyholders; protection of policyholders' interests; to have effective grievances redressal mechanism in place for insurers; to laydown framework for effective oversight on outsourcing activities of insurers and opening and closing of places of business by insurers. Changes proposed in the consolidated Regulations were presented.

16.3 The agenda was approved.

Any other item with the permission of the Chair

1. Filling vacancies in the Insurance Advisory Committee (IAC)

An agenda item was submitted on inclusion of two new members in the IAC. The agenda was approved.

2. It was further deliberated and decided that the Chairman be authorised to carry out editorial changes, if any, to the proposed draft of Regulations/Notifications before their publication in the Gazette.