



Ref: IRDA/F&A/CIR/MISC/099/04/2020

Date: 24th April, 2020

CIRCULAR

To
All the Insurers,

Prudent management of financial resources of insurers in the context of Covid-19 pandemic

1. This has reference to IRDAI Circular no. IRDA/F&A/CIR/MISC/089/04/2020 dated 13th April, 2020 on the said subject.
2. As part of measures to prudently manage their financial resources, **all insurers have been directed to align dividend pay-out for the FY 2019-20 so as to be in conformity with their strategies to ensure that they have adequate capital** and resources available with them to ensure protection of the interests of the policyholders.
3. In view of the emerging market conditions, and to conserve capital with the insurance companies in the interests of the policyholders and of the economy at large, **insurers are urged to take a conscious call to refrain from dividend pay-outs from profits pertaining to the financial year ending 31st March 2020, till further instructions. This position shall be reassessed by the Authority based on financial results of insurers for the quarter ending 30th September, 2020.**
4. The necessary relaxations on recognition of 'approved investments' under Regulation 3 (a) (4) and 3 (a) (5) of the IRDAI (Investment) Regulations, 2016, arising out of the above will be separately considered.
5. It is further directed that this circular along with the above referred circular dated 13th April, 2020 be placed before the Board of the insurers at the ensuing meeting under intimation to the Authority.

-Sd-
(Pravin Kutumbe)
Member (F&I)