

## **Exposure Draft**

**F.No.IRDAI/Reg/xx/xxx/2020:** In exercise of the powers conferred by Section 3 read with 114A of the Insurance Act, 1938, and sections 14 read with 26 of the Insurance Regulatory and Development Authority Act, 1999, the Authority, in consultation with the Insurance Advisory Committee hereby makes the following regulations namely:

### CHAPTER – I

**1. Short title and commencement: -**

- (1) These regulations may be called the Insurance Regulatory and Development Authority of India (Registration and Operations of Branch Offices of Foreign Reinsurers) Regulations, 2020.
- (2) They shall come into force from the date of publication in the Official Gazette.

**2. Objective clause:** The objective of these regulations is to specify provisions for registration and operations for Branch Offices of Foreign Re-insurers and Service Company of Lloyd's India, which are defined as insurers under sub-section (9) (d) of Section 2 of the Insurance Act, 1938.

**3. Definitions -** In these regulations, unless the context otherwise provides:

- (a) 'Act' means the Insurance Act, 1938;
- (b) 'Applicant' shall mean:
  - i) a foreign company, other than Lloyd's engaged in reinsurance business; or
  - ii) The Society of Lloyd's on behalf of Members of Lloyd's; hereafter referred to as Lloyd's; or
  - iii) Service Company of Lloyd's India who wish to underwrite re-insurance business on behalf of Syndicate of Lloyd's India;
- (c) 'Authority' means the Insurance Regulatory and Development Authority of India established under subsection (1) of Section 3 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999);
- (d) "Branch Office of Foreign Re-insurer" or "Foreign Re-insurers Branch" hereinafter called by acronym 'FRB' shall mean the branch of the applicant who has been granted certificate of registration by the Authority under these regulations to transact reinsurance business in India through its branch;
- (e) Gross Written Premium of the FRB, hereinafter called by acronym 'GWP' for purpose of these regulations 'GWP' shall mean premium ceded by direct insurers and accepted by the FRB under a reinsurance contract(s) and includes any retrocession ceded and accepted between two or more reinsurers, without deduction of commission or brokerage thereof;
- (f) "Indian reinsurer" for purpose of these regulations 'Indian reinsurer' means as defined at sub-section (8) (ii) of Sec. 101A of the Insurance Act, 1938;

- (g) “Insurance Brokers placing risks with FRB means Indian Composite / Reinsurance Brokers registered by the Authority, who wish to place business with FRB.
- (h) “Lloyd’s India” means the branch office of the Lloyd’s granted certificate of registration by the Authority under these regulations to transact reinsurance business.
- (i) “Net Owned Fund (NOF) of the applicant” shall consist of
  - i) paid up equity capital;
  - ii) free reserves;
  - iii) securities premium account;
  - sum of (i), (ii) and (iii) is to be reduced by the following;
  - iv) accumulated losses; and
  - v) book value of intangible assets.

Explanation: No money raised by the applicant, shall be taken in calculation of NOF, raised subsequent to its last audited Balance Sheet, the date of which shall not be prior to one year of its application for registration to the Authority.

- (j) Words and expressions used and not defined in these regulations but defined in the Insurance Act, 1938 (4 of 1938) or Insurance Regulatory and Development Authority Act, 1999 (41 of 1999), shall have the meanings respectively assigned to them in those Acts, Rules, Regulations issued under those Acts, as the case may be.

## CHAPTER – II REGISTRATION OF FRB

**[applicable for applicants under Reg. 3 (b) (i) and Reg. 3 (b) (ii) of these regulations]**

### **4. Procedure for Registration:**

- (1) An applicant desiring to carry on reinsurance business through a branch, established as required under these regulations, shall make a requisition for registration application Form IRDAI/FRB/R1;
- (2) Every requisition for registration application by the applicant shall be accompanied with:
  - (a) a certified copy of Memorandum of Association and Articles of Association or the document in lieu of Memorandum of Association and Articles of Association or copy of the charter and byelaws under the Lloyd’s Act, 1982 as filed by the applicant with the appropriate Authority of its domicile country, which details the manner of formation and conduct of its business;
  - (b) name, position, address and designation of the individual proposed to be in-charge of the operations in India, who shall not be changed without the prior permission of the Authority, subsequent to filing of requisition for registration application;

- (c) a statement indicating infusion of the additional assigned capital as may be specified by the Authority from time to time;
- (d) a certified copy of the annual report of applicant for the last five years preceding the year of filing of requisition for registration application;
- (e) copy of the no objection certificate issued by regulator of domicile country of the applicant, to the effect that the regulator has no objection for the reinsurer to open a branch office in India;
- (f) a notarised copy of Resolution from its Board of Directors or the Executive Committee of Management, as applicable, that it shall meet all the liabilities of the branch office in India at all times;

**Provided** that for Lloyd's, it shall meet claims against members of Lloyd's underwriting reinsurance through a Service Company in Lloyd's India and that the holder of reinsurance policy issued by a member of Lloyd's under these regulations shall have recourse to Lloyd's Chain of Security, including the Central Fund at all times;

- (g) an undertaking to the Authority that, in case of grant of registration, its Indian branch for every financial year, shall maintain a minimum retention of fifty percent (50%) of Indian re-insurance business on overall basis;
- (h) such other requirement as may be specified by the Authority.

5. **Eligibility Criteria:** Requisition for registration application to set-up Branch offices in India, under these Regulation may be considered, from applicants who fulfil the following:

- (1) An applicant shall make requisition for registration application as per sub-regulation (1) of Reg. 4 of these regulations for transacting reinsurance business;

**Provided** that, the applicant whose:

- (a) requisition for registration application, at any time during the preceding three financial years on the date of request, has been rejected by the Authority or withdrawn by the applicant; or
  - (b) application for registration, at any time during the preceding three financial years on the date of application, has been rejected by the Authority or withdrawn by the applicant; or
  - (c) certificate of registration, at any time during the preceding three financial years, has been either cancelled by the Authority or surrendered by the FRB. shall not be eligible to make a requisition for registration application.
- (2) the applicant has obtained prior approval from the home country regulatory, prior to filing the application with the Authority;
  - (3) the applicant has registered or is certified in a national regulatory environment with whom Government of India has signed Double Taxation Avoidance Agreement;

- (4) the applicant at any time shall maintain net owned funds as specified in Section 6 (2) of the Insurance Act, 1938;
  - (5) the applicant shall have a minimum credit rating, as specified in the Guidelines, by at least one internationally recognised Credit Rating Agency.
  - (6) the applicant shall be in re-insurance business for at least ten (10) continuous years before the date of filing the requisition for registration application;
  - (7) the applicant shall have a Solvency Margin as required under the regulations of its home country regulator;
  - (8) the applicant, in the proposed Indian branch, shall maintain a minimum assigned capital of rupees one hundred crore and shall invest the same as specified by the Authority;
  - (9) any other requirement that may be specified by the Authority.
6. The Authority may limit the number of reinsurers to operate through branches keeping in view the orderly growth of the insurance and reinsurance market, national interest, and other related aspects.
7. **Furnishing of further information and clarification:** - The Authority may require the applicant, to furnish additional information or clarification, in respect of requisition for registration application, to be shall be furnished within 30 days of such communication.
8. **Consideration of requisition for registration application:** - The Authority shall take into account all matters relating to carrying on the business of reinsurance by the applicant while considering its requisition for registration application;
- (1) In particular, and without prejudice to the generality of the foregoing, the Authority shall consider the following matters, namely: -
    - (a) track record of conduct and performance of applicant in insurance / reinsurance as available in public domain;
    - (b) conduct and performance of the Directors and other Key Managerial Persons of the applicant;
    - (c) the proposed infrastructure of the branch office in India, in carrying out reinsurance business;
    - (d) the proposed business plan for the five succeeding years;
    - (e) how the applicant will step in in case there is any deviation from the plan that has been proposed;
    - (f) other matters as considered necessary by the Authority.
  - (2) The Authority upon examination of information as filed by the applicant under sub-regulation (1) of Regulation 8;
    - (a) check the complete and correctness of information along with all documents required to be filed for requisition in Form IRDAI/ FRB/ R1

- (b) satisfy that the proposed branch office of the applicant can carry on all functions of the reinsurance business and is not a fronting entity for the applicant;  
may accept the application for requisition.

**9. Rejection of Requisition for Registration Application: -**

- (1) Where the applicant has not complied the requirements under Regulation 8, the Authority may, after giving an opportunity of hearing to the applicant, reject the application of requisition for registration.
- (2) The order rejecting the application under sub-regulation (1) of this Regulation shall be communicated within thirty days of such rejection stating therein the grounds on which the requisition for registration application has been rejected;
- (3) If applicant feels aggrieved by the Order issued under sub-regulation (1) of Regulation 9, he may prefer an appeal to the Securities Appellate Tribunal (SAT) as per the provisions of Section 110 of the Insurance Act, 1938.

**CHAPTER – III**

**10. Application for registration: -** An applicant, whose requisition for registration application has been accepted may make an application in Form IRDAI/FRB/R2 for grant of certificate of registration, with the following:

- (1) a Certificate issued by an Indian Chartered Accountant firm along with evidence of an Assigned Capital of not less than rupees one hundred crore;
- (2) an affidavit by the person authorised by the Board of Directors or the Executive Committee of Management, as applicable, certifying that the requirements as to Assigned Capital have been satisfied;
- (3) an affidavit by the applicant certifying that the requirements of section 6 (2) of the Act with respect to Net Owned Fund, have been satisfied by the applicant;
- (4) Supervision and Control: The applicant shall file certified copy of the resolution of the Board of Directors or Executive Committee of Management as applicable on the following:
  - (a) constituting the Executive Committee at FRB as required under these Regulations;
  - (b) delegating the power to the Executive Committee of the FRB to review all control returns including the system of periodical reviews submitted by the branch office to ensure effective supervision and control and to monitor their continued viability;
  - (c) details of Delegation of Authority for Underwriting and Claims settlement to be given to the FRB by the applicant;
  - (d) systems and checks to ensure that delegated powers for doing Business are exercised prudently and judiciously by the authorised officials and has no adverse fallout on the operations in India;
- (5) plan with timelines to recruit and train Indian underwriters to handle each class of business;

- (6) the receipt showing payment of non-refundable registration fee of rupees five lakh;
- (7) any other information required towards processing the application for registration.

**11. Consideration of Application:** - The Authority while considering the application for registration shall take into account all matters of carrying on reinsurance business at the branch office;

- (1) In particular and without prejudice to the generality of the foregoing, the Authority shall consider the following matters for grant of certificate to the applicant, namely:-
  - (a) the record of conduct and performance of all Key Management Personnel at the Branch of the applicant;
  - (b) the proposed infrastructure, minimum systems and process to be in place at the branch office of the applicant in conducting the re-insurance business;
  - (c) the proposed underwriting and other operational skills that will be available at the branch office;
  - (d) other relevant matters for carrying out the provisions of the Act;
- (2) The Authority upon its satisfaction that the application in Form IRDAI/FRB/R2 is complete and is accompanied with all supporting documents; may accept the application for registration of the applicant.

**12. Rejection of application for registration: -**

- (1) Where an application for registration is not complete as per Form IRDAI/FRB/R2, after considering requirements under Regulations 10 and 11 and on being satisfied that the grant of certificate of registration is not desirable, the Authority, by an order, reject the application.  
Provided before rejecting the application the applicant is given a reasonable opportunity of being heard;
- (2) The order rejecting the application under sub-regulation (1) shall be communicated by the Authority within 30 days of such rejection, to the applicant in writing stating the grounds of rejection.
- (3) If applicant feels aggrieved by the Order issued under sub-regulation (1) of Regulation 12, an appeal may be preferred to the SAT as per the provisions of Section 110 of the Insurance Act, 1938;

**13. Manner of payment of fee for registration** - The non-refundable fee of rupees five lakh shall be remitted by recognised electronic funds transfer to Insurance Regulatory and Development Authority of India.

**14. Grant of certificate of registration:** - The Authority, on being satisfied that:

- (1) the applicant has met all requirements under the Insurance Act, applicable Regulations in force on the date of making the application;
- (2) the applicant has sound financials, and would meet the long term capital requirement criteria of re-insurance business;
- (3) has an Executive Committee, as required under the Regulations which would meet the requirement of re-insurance business;
- (4) would meet the regulatory objective(s) of re- insurance business
- (5) has met with all the minimum Systems and Process mandated by the Authority, may issue to the applicant certificate of registration in Form IRDAI/FRB/R3.

15. **Conditions governing the registration of branches of foreign reinsurers:** The Authority, while considering the grant of certificate of registration for branch offices of applicants, shall satisfy the-following:

- a. FRB at all times shall complies with requirements of Foreign Exchange Management Act, 1999 and applicable RBI Regulations in force governing the foreign re-insurer branch operations;
- b. necessary skilled officer(s) for underwriting, claims, Investment and finance functions and other KMPs mandated by the Authority required at the Indian Branch;
- c. applicable Regulations of IRDAI (Investment) Regulations on Investment Systems and Process and Investment Operational requirements read along with Investments – Master Circular;
- d. The branch office shall follow the Insurance Act, 1938, IRDA Act, 1999, Rules, Regulations, circulars, guidelines, etc. in its operations.

16. **Time Limit:** An applicant who is granted registration under these Regulations shall commence re-insurance business operations within period of twelve months from the date of issue of Certificate of Registration.

**Provided,** where the FRB do not commence operations within the specified period of twelve months, the applicant shall, before expiry of time limit, make an application to the Chairperson of the Authority, seeking additional time, with clarification as to why it could not start the operations as stipulated at the time of issue of Certificate of Registration.

- (a) The Chairperson of the Authority on receipt of the request shall examine the request and communicate the decision in writing either rejecting the request or granting it.
- (b) No extension of time shall be granted by the Chairperson of the Authority beyond eighteen months from the date of grant of certificate of registration under Regulation 16.

## LLOYD'S INDIA

### 17. Provisions applicable for Lloyd's and Lloyd's India:

- (1) Definitions applicable for Lloyd's and Lloyd's India;
  - (a) "Coverholder" means a company authorised by a *managing agent* to enter into a contract or contracts of insurance to be underwritten by the *members* of a *syndicate* managed by it in accordance with the terms of a *binding authority*;
  - (b) "Managing Agent" means a corporate entity which has permission from Lloyd's to manage a syndicate and carry on underwriting and other functions on behalf of members of Lloyd's
  - (c) "Members of Lloyd's India" means Member of Lloyd's who wish to participate in Lloyd's India;
  - (d) "Service Companies of Lloyd's India" means
    - i) Service Companies promoted by Managing Agents of Lloyd's
    - ii) Service Companies promoted by Companies registered in India under Companies Act, 2013 and meets the specified criteria
  - (e) "Syndicate" means a *member* or group of *members* underwriting insurance business at Lloyd's through the agency of a *managing agent* or a *substitute agent* to which a syndicate number is assigned by the *Council*. Except where it is expressly otherwise provided the several groups of *members* to which in different years a particular syndicate number is assigned by or under the authority of the *Council* shall be treated as the same *syndicate*, notwithstanding that they may not comprise the same *members* with the same individual participations;
  - (f) "Syndicates of Lloyd's India" means Syndicates of Lloyd's who wish to participate in Lloyd's India through a service company delegated authority arrangement.
- (2) Constituents of Lloyd's India include:
  - (a) Members of Lloyd's,
  - (b) Syndicates
  - (c) Service companies who wish to underwrite re-insurance business on behalf of Syndicates,
- (3) Lloyd's India being a market shall ensure that the market and the constituents are housed within an office location of Lloyd's India for the conduct of reinsurance business.
- (4) The service companies of Lloyd's India underwriting on behalf of Syndicates will be issued certificate of registration by the Authority in accordance with these regulations.

### 18. Member of Lloyd's India



- (1) Lloyd's India shall inform the Authority in the format given in Annexure "1", the details of Members of Lloyd's who wish to participate in Lloyd's India.
- (2) The list of Members of Lloyd's underwriting through Service Companies of Lloyd's India shall be furnished to the Authority on an annual basis.

## **CHAPTER V**

### **SERVICE COMPANIES OF LLOYD'S INDIA**

19. **Norms for establishing Service Companies of Lloyd's India:** Managing Agents of Lloyd's and companies registered under Companies Act, 2013 wishing to participate in Lloyd's India shall set up a service company with the following norms:
  - (1) The service company may be a private or a public limited company registered with Registrar of Companies in India, with a minimum paid up capital of rupees five lakh;
  - (2) The main objects of Memorandum of Association and Article of Association shall be to provide all technical, underwriting, binding risks, settling claims, administrative, accounting, investment, regulatory and other assistance to the syndicate(s) whom they represent;
  - (3) The service company shall be responsible for all statutory & regulatory filings and compliances on behalf of the syndicate it represents;
  - (4) The Chief Executive Officer (CEO) of a service company shall be subject to fit & proper criteria and shall be appointed with prior approval of the Authority;
  - (5) Any other requirement that may be specified by the Authority from time to time.
20. **Procedure for registration of service company for Lloyd's India**
  - (1) The Managing Agents of Lloyd's who wish to set-up a service company to underwrite reinsurance at Lloyd's India shall make an application to the Authority through Lloyd's India in the format given at Annexure "2".
  - (2) Indian companies who wish to set-up a service company for Lloyd's India shall make an application to the Authority through Lloyd's India in the format given at Annexure "2".
  - (3) The service company shall indicate the syndicate(s) that it may or may not represent in Lloyd's India;
  - (4) The application for registration of a service company for Lloyd's India shall be accompanied with non-refundable fee of rupees fifty thousand.
21. **Undertakings to be submitted by service company to Lloyd's India:**
  - (1) The service company shall submit the Lloyd's Service Company Coverholder Undertaking through which the Service Company agrees to comply with all relevant rules and requirements of Lloyd's and the local legal, fiscal, taxation and regulatory authorities;

- (2) The service company shall also submit the Lloyd's Coverholder Decision Paper which provides detailed information on the proposed Service Company, including:
  - (a) the level of underwriting and claims authority granted to the Service Company,
  - (b) the business strategy for the Service Company,
  - (c) details relating to principal staff operating in the Service Company,
  - (d) financial information,
  - (e) professional indemnity details,
  - (f) classes of business to be underwritten by the Service Company,
  - (g) the approach the Service Company will take to ensure compliance with registration requirements
  - (h) other requirements as specified by Lloyd's subject to approval of the Authority.
- (3) Subsequent to submitting the decision paper, the service company shall perform Lloyd's Service Company Self- Assessment against the Lloyd's Minimum Standards which includes information such as any internal audit carried out on the Service Company;
- (4) the applicant shall furnish an undertaking to the Authority that, in case of grant of registration, for every financial year it shall maintain a minimum retention of fifty percent (50%) of Indian re-insurance business;
- (5) Any other requirement that may be specified by the Authority from time to time.

**22. Consideration of application to become a service company of Lloyd's India**

- (1) The Chairperson of the Authority after taking into account all submissions including the recommendation of Lloyd's India shall issue a certificate of registration to the Service Company of Lloyd's India on behalf of syndicate(s) it represents.
- (2) The certificate of registration will be granted in the Form IRDAI/Lloyd's/SC and shall be valid for a period of three years.

**23. Conditions governing service companies of Lloyd's India:**

- (1) The service companies of Lloyd's India shall be subject to compliance of the conditions laid down by Lloyd's India.
- (2) The service companies shall enter into Service Company Underwriting Agreement, a contract that delegates authority to the service company from the Members of the relevant syndicates.
- (3) The service company of Lloyd's India under the Service Company Underwriting Agreement shall be responsible for the following:
  - (a) Binding insurances and amendments thereto on behalf of Members of Lloyd's;
  - (b) Acting on behalf of Members of Lloyd's for the purpose of receiving premiums from reinsured's and settling refunds and to receive claims money prior to onward transmission to reinsured's;

- (c) management and control of expenses;
  - (d) employment of underwriting staff;
  - (e) Any other task that may be entrusted to it by Lloyd's India to carry out the business of reinsurance in an efficient manner.
- (4) The service company shall undertake the following:
- (a) issuance of documents evidencing the contracts of insurance, endorsements and other such documents evidencing cover as may be agreed in writing by the underwriters;
  - (b) collect and process premiums and return premiums on behalf of the underwriters;
  - (c) handle claims and/or settle claims, if authorised;
  - (d) shall use prominently the name of the Syndicates which they represent and that they are merely writing on Syndicates capacity and not acting as insurers themselves;
  - (e) skill development and capacity building of local talent;
  - (f) strive to make India as a reinsurance hub;
  - (g) compliance with FEMA and other local laws;
  - (h) compliance to the conditions laid down by Lloyd's India;
  - (i) compliance of Act, Regulations, guidelines, circulars issued by the Authority;
  - (j) compliance to any other requirement that may be specified by the Authority from time to time.

**24. Rejection of application of Indian Company for setting up a Service Company:**

- (1) Where an application of Indian company for setting up a service company is rejected by Lloyd's India, the Indian company may appeal to the Authority;
- (2) The Authority may consider the appeal and considering all facts of the case may pass necessary orders;
- (3) In case the application of an Indian Company for setting up service company of Lloyd's India is rejected by the Authority, such an order shall be communicated by the Authority within thirty days of such rejection in writing stating therein the ground on which the application has been rejected;
- (4) If an applicant feels aggrieved by the decision of the Authority under sub-regulation (2), an appeal may be preferred to the Securities Appellate Tribunal (SAT) as per the provisions of Section 110 of the Insurance Act, 1938.

**25. Rejection of application or revocation of certificate of registration for a service company of Lloyd's India:-**

- (1) Where the certificate of registration issued by the Authority is sought to be revoked by Lloyd's India the same shall be sent to the Authority along-with the recommendation of Lloyd's India giving the reasons for revocation;
- (2) The Authority may consider the request and considering all facts of the case may pass necessary orders;

- (3) In case the certificate of registration of a service company of Lloyd's India is revoked by the Authority, such an order shall be communicated by the Authority within thirty days of such revocation in writing stating therein the ground on which the application has been revoked;
- (4) If an applicant feels aggrieved by the decision of the Authority under sub-regulation (2), an appeal may be preferred to the Securities Appellate Tribunal (SAT) as per the provisions of Section 110 of the Insurance Act, 1938.

**26. Renewal of certificate of registration for a service company of Lloyd's India**

- (1) The service company shall apply for renewal of certificate of registration through Lloyd's India in the same format given in Annexure "2";
- (2) The procedure of renewal of certificate of registration of a service company, consideration of the application, undertakings and conditions governing their conduct shall be as specified in Regulations 21, 22 and 23 of these regulations;
- (3) The service Company shall pay a renewal fee of rupees fifty thousand at the time of renewal of their certificate of registration;
- (4) The renewal fee shall be paid into the account of Insurance Regulatory and Development Authority of India remitted by a recognised electronic funds transfer.

**27. Surrender of certificate of registration of a service company of Lloyd's India**

- (1) A service company may apply for a surrender of certificate of registration through Lloyd's India.
- (2) The Authority may consider the request for surrender after considering all facts of the case including servicing of the existing contracts and may pass necessary orders.

**CHAPTER VI**

**SYNDICATES PARTICIPATING IN LLOYD'S INDIA**

**28. Procedure for syndicates participating in Lloyd's India**

- (1) Syndicates of Lloyd's who wish to underwrite reinsurance through a Service Company in Lloyd's India shall furnish the required details in the format given at Annexure "2".

**29. Consideration of application to underwrite in Lloyd's India**

- (1) The Chairperson of the Authority after taking into account all submissions including the recommendation of Lloyd's India shall permit the syndicate to underwrite re-insurance business through its Service Company.

**30. Conditions governing approval to operate as a syndicate in Lloyd's India**

- (1) Every syndicate shall through the service company maintain an assigned capital of rupees five crore.
- (2) The syndicates of Lloyd's India shall enter into Service Company Underwriting Agreement with Service Company, a contract that delegates authority to the service company from the Members of Lloyd's of the relevant syndicates.
- (3) Syndicates of Lloyd's India shall ensure that:
  - (a) the reinsurance business is managed on behalf of the members of Lloyd's India through the service company;
  - (b) the members of the syndicates contract with the reinsured;
  - (c) premiums are collected at syndicate level and carried to a premium trust funds held for that syndicate;
  - (d) outward reinsurance is placed and recoveries are collected at syndicate level;
  - (e) expenses associated with the conduct of the business are incurred and paid at syndicate level;
  - (f) liabilities are paid at syndicate level;
  - (g) surpluses are determined at syndicate level;
  - (h) cash calls are made at syndicate level; and
  - (i) any other requirement that may be specified by the Authority from time to time.

**CHAPTER VII  
Payment of Fee.**

**31. Annual Fee:**

- (1) The FRB which has been granted a certificate of registration under these regulations shall pay an annual fee to the Authority by such date as would be specified in the Guidelines, which shall be higher of;
  - (a) Rupees five lakh or;
  - (b) one hundred-eightieth of one percent of Gross Written Premium booked in India during the financial year preceding the year in which the annual fees is paid, subject to a maximum of rupees ten crore;
- (2) Where the FRB fails to pay the annual fees as required in sub-regulation (1) of regulation 31 before the specified date, it shall pay the fees with a penalty of:
  - (a) Two per cent of the annual fee, if paid within 30 days from the specified date; or

- (b) Ten per cent of the annual fee if paid before the end of financial year;
  - (c) and where such fee is not paid before the end of the financial year, its certificate of registration shall be liable to be cancelled.
- (3) The annual fee computed as required under sub-regulation (1) and the penalty under sub-regulation (2) if any, shall be paid into the account of Insurance Regulatory and Development Authority of India remitted by a recognised electronic funds transfer.

32. **Issue of duplicate certificate of registration:** - The Authority, upon receipt of;
- (1) application in Form IRDAI/FRB/R4 from the FRB or Service Company of Lloyd's India as the case may be; and
  - (2) fee of rupees five thousand,
- may issue a duplicate certificate of registration.

#### CHAPTER - VIII

#### PROCEDURE FOR ACTION IN CASE OF DEFAULT

33. **Suspension or cancellation of certificate of registration granted to FRB or Service Company of Lloyd's India:**
- (1) The Authority, without prejudice to any other provision under Insurance Act, 1938 or IRDA Act, 1999 read along with Regulations, Circulars and Guidelines issued there under, where the FRB or Service Company of Lloyd's India who:-
    - (a) conducts its business in a manner prejudicial to the interests of the policyholders or ceding insurers or carries on any business other than reinsurance;
    - (b) fails to furnish any information as required by the Authority or cooperate in any inquiry relating to its reinsurance business;
    - (c) does not submit periodical returns as required under the Act or Guidelines issued under IRDAI Regulations;
    - (d) do not comply with Section 64VA of the Act;
    - (e) if the business has been transferred to any person or amalgamated with any other insurer without the prior approval of the Authority;
    - (f) failed to comply with provisions of the Act, or IRDAI Regulations or direction or order under IRDA Act, 1999 or contravene the provisions of the Foreign Exchange Management Act, 1999 or the Prevention of Money Laundering Act, 2002;
    - (g) fails to pay the annual fees as required under Regulation 31;
    - (h) any of the KMPs is convicted of an offence under any law for the time being in force;
- may, for reasons to be recorded in writing, suspend, for such specified period as would be decided by the Authority or shall lead to cancellation of Certificate of Registration with or without penalty.

- (2) Where an applicant of the FRB or Service Company has been debarred by law or practice in its home country of registrations from carrying on business, the same may lead to suspension or cancellation of Certificate of Registration of the FRB or Service Company as the case may be;
- (3) The order of suspension or cancellation shall be made after holding an enquiry by an officer appointed in accordance with the procedure specified in these regulations, by serving a notice to the FRB or Service Company of Lloyd's India at the principal place of business in India;
- (4) The FRB or Service Company of Lloyd's India may, within thirty days of receipt of such notice under sub-regulation (3) of Regulation 33 furnish reply to the enquiry officer, together with copies of documentary or other evidence relied upon by it or sought by the Authority;
- (5) The enquiry officer shall hear the submissions made by the Officer of the FRB or Service Company of Lloyd's India, who shall not be an advocate, representing the branch office of foreign reinsurer in support of its reply under sub-regulation (4) of Regulation 33;
- (6) The enquiry officer shall, after taking into account all facts and submissions made by the Officer representing the FRB, submit a report to the Authority with his recommendation including awarding of penalty to be imposed along with justification;
- (7) On receipt of the enquiry report, the Authority taking into consideration the recommendations made by the enquiry officer, if deemed fit, issue show-cause notice as to why action considered appropriate should not be initiated;
- (8) The FRB or Service Company of Lloyd's India shall, within twenty-one days from the date of receipt of such show cause notice, file its reply with the Authority;
- (9) The Authority, after considering the submissions made, pass an order on the FRB or Service Company of Lloyd's India, imposing penalty or suspending or cancelling Certificate of registration, along with justification;  
Provided that, before passing an order the FRB or Service Company of Lloyd's India is given a reasonable opportunity of being heard;
- (10) Where no reply is filed by the foreign insurer within the 21 days, as required under sub-regulation 8 of Regulation 33 the Authority will decide the issue ex-parte;
- (11) On serving of order under sub-regulation (3) of Regulation 33, the branch office of foreign reinsurer shall cease to transact new reinsurance business;
- (12) The order of the Authority passed under sub-regulation (3) of Regulation 33 shall be published in at-least two daily newspapers in the area where the branch office of foreign reinsurer has its principal place of business and on the website of the Authority.

**CHAPTER – IX**  
**Operations of Branch Office of Foreign Re-insurer**

34. **Operational issues pertaining to the FRB and Service Company of Lloyd's India:** The applicant who has been granted certificate of registration under these regulations to transact reinsurance business shall comply with all requirements under this Regulation and file with the Authority the approval of its Board authorising the Executive Committee at the Branch Office in India to act on its behalf;

- (1) Executive Committee:
  - (a) The Board of the applicant shall constitute Executive Committee for their India Branch, clearly defining delegation of powers to the Executive Committee;
  - (b) the role of Board shall be performed by the Executive Committee of the FRB;
  - (c) The composition of the Executive Committee shall comprise of at least three (3) KMPs including CEO of the Branch;
  - (d) the quorum shall be a minimum of two, which shall include the CEO;
  - (e) The FRB shall annually submit to the Authority, the constitution of the Executive Committee. Any change in the Executive Committee during financial year shall be reported to the Authority within fifteen (15) days of effecting such change.
- (2) Geographical Scope: The branch office of foreign reinsurer shall transact reinsurance business with Indian insurers, as well as reinsurance business outside India in accordance with their underwriting policy and claims settlement guidelines as approved by the Board of the applicant or by the Executive Committee of the FRB based on the overall delegation from the Board of the applicant. For the purpose of these Regulations reinsurance business done in IFSC-SEZ shall be treated as business from outside India;
- (3) Assigned Capital: –
  - (a) The FRB shall maintain assigned capital as specified by the Authority;
  - (b) Syndicate of Lloyd's India through their Service Company shall maintain assigned capital as specified by the Authority;
  - (c) The assigned capital shall be maintained in Government of India Securities at all times.
- (4) Appointment of Key Management Personnel (KMP):
  - (a) All KMPs shall satisfy the 'fit and proper' criteria stipulated by the Authority;
  - (b) The details of the KMPs namely Chief Executive Officer, Chief Financial Officer and Chief Underwriting Officer along-with their bio-data shall be filed with Authority, as part of the registration process;  
Provided that, Lloyd's India shall appoint Chief Executive Officer and Chief Financial Officer. The Chief Finance Officer of Lloyd's India shall be responsible for finance related matters of Service Companies of Lloyd's India;  
Provided further that, Service Company of Lloyd's India shall appoint Chief Executive Officer and Chief Underwriting Officer;



- (c) The FRB shall obtain prior approval of the Authority on the appointment, reappointment, removal and managerial remuneration payable to Chief Executive Officer of the branch office;
  - (d) The appointment of KMPs and / or other Key Managerial Personnel shall be as stipulated by the Authority.
- (5) Opening of additional offices: The branch of the foreign reinsurer may open offices in different parts of the country, with prior approval of the Authority. Further, the supervision and control of all such office(s) including the business transacted through such office(s) shall be maintained in the administrative office, which has been mentioned in the Certificate of Registration;
- (6) Outsourcing: The FRBs and Service Company of Lloyd's India;
- (a) The following activities are prohibited from outsourcing in any manner:
    - (i) Accounting;
    - (ii) Decision making in Underwriting and Claims;
    - (iii) Investment and related functions;
    - (iv) Enterprise-wide risk management;Provided that, nothing contained in these Regulations shall be deemed to be in contravention of the provisions of the Regulations, Guidelines issued by the Authority in respect of the above outsourcing activities.
  - (b) and may outsource other than above non-core functions to any entity which is within India and is not an entity which falls under the Group of companies which are directly or indirectly falls under the applicant. For purpose of these regulations, group shall have the same meaning as defined under sub-regulation (g) of Regulation 2 of the IRDAI (Investment) Regulations, 2016.
- (7) Accounting: – The FRB shall submit financial returns including statement of accounts in the manner as may be specified in the IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 as amended from time to time.
- (8) Investment- The branch office of the foreign reinsurer shall invest and keep invested the funds in accordance with the IRDAI (Investment) Regulations, 2016 in so far as they are applicable to Indian reinsurers.
- (9) Reinsurance and Retrocession: -
- (a) the FRB shall comply with Insurance Regulatory and Development Authority of India (Re insurance) Regulations, 2018;
  - (b) Procedure for Re-insurance Placement: the FRB shall comply with sub-regulation (1), sub-regulation (2) and sub-regulation (4) of regulation 5 of the IRDAI (Re-insurance) Regulations, 2018;
- (10) The FRB or Service Company of Lloyd's India for every financial year shall maintain a minimum retention of fifty percent (50%) of the Indian re-insurance business on overall basis. Any breach of specified limits shall be deemed as violation of these regulations and shall render the FRB liable for regulatory action as specified in the Insurance Act, 1938.
- (11) **Solvency Margin:**

The FRBs shall prepare and submit statement of assets, liabilities and solvency margin requirements in the manner as specified in the IRDAI (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016 or the IRDAI (Assets, Liabilities and Solvency Margin of Life Insurance Business) Regulations, 2016 as the case may be;

**Provided that,** Lloyd's India shall maintain solvency margin for its Service Companies underwriting re-insurance business on behalf of Syndicates of Lloyd's India;

- (12) The method chosen for calculation of Unearned Premium Reserve shall be consistent from year to year and be disclosed in the submissions made by branch office of the foreign reinsurer to the Authority. Any change to this methodology should also be disclosed and rationale to be explained for such change;
- (13) The FRB and Service Company of Lloyd's India shall make public disclosure of its foreign reinsurers result on a yearly basis. Such disclosure may be made on the website of such branch office;
- (14) The FRB and Service Company of Lloyd's India shall comply with provisions of joint statutory audit upon achievement of gross re-insurance premium of rupees five thousand crore for first time or three years from notification of these regulations whichever is earlier;
- (15) All the data, records including those held in electronic mode pertaining all the business of reinsurance contracts and all claims made in India shall be held in data centers located and maintained in India;
- (16) Repatriation of surplus – Any repatriation of the surplus generated by the operations of the FRB shall be only with prior approval of the Authority. The Authority before granting such an approval shall obtain all relevant information and satisfy itself that the assets of the Branch office are adequate to meet their liabilities. In addition, the repatriation of surplus shall comply with the other requirement of RBI/ FEMA, as applicable;
- (17) Delegation of Authorities:
  - (a) The applicant shall review the delegated powers of functionaries at the branch office in India as regards adequacy of such powers to meet local operational requirements and the delegated authority. A copy of such review shall be filed with the Authority annually;
  - (b) skilled officer(s) appointed for underwriting, claims, Investment and finance functions shall be made responsible for their respective work portfolio and shall report to KMPs of the FRB or to Chief Executive Officer of the FRB as decided by Executive Committee of the FRB;
- (18) Supervision and Control:
  - (a) With respect to Service Companies of Lloyd's India, Lloyd's India shall review all control returns including the system of periodical reviews submitted by the service companies to ensure effective supervision and control and to monitor the syndicates continued viability;

- (b) All the FRBs and Service Companies of Lloyd's India shall submit to the Authority, a certified copy of synopsis of the findings of the inspection, audit, scrutiny and compliance submitted by the FRB to the Audit Committee" of the applicant.
- (19) Other issues: The FRB shall immediately report to the Authority any regulatory or supervisory action taken by the home country regulator on the applicant with full details and the penalty or any administrative action, if any imposed and the remedial steps taken by the applicant to prevent its recurrence;
- (20) Reporting requirements: The FRB and Service Company of Lloyd's India shall submit to the Authority the following reports as stipulated;
  - (a) Financial reporting;
  - (b) Actuarial reporting;
  - (c) Business Reporting
  - (d) Downgrading Reporting: The branch office of the foreign reinsurer shall immediately report along-with relevant documents to the Authority any downgrade in rating by any internationally renowned credit rating agency;
  - (e) Erosion of Net Owned Fund: The FRB **on an annual basis** shall report to the Authority if there is more than 5% erosion in the Net Owned Fund of the applicant. In case if Net Owned Fund of the applicant goes below INR 5,000 Crs, the same may be reported to the Authority immediately;
- (21) Returns: The Authority may specify submission of any such other return by the FRB or the applicant as it may deem appropriate;
- (22) Norms for becoming an Insurance broker placing risks with FRB or Service Company of Lloyd's India:
  - (a) Only those insurance brokers who have been granted certification of registration by the Authority to work as composite or reinsurance brokers can work for FRB or Service Company of Lloyd's India;
  - (b) The functioning of insurance brokers associated with Lloyd's India will be governed by the IRDAI (Insurance Brokers) Regulations, 2018.
- (23) The FRB opened with the approval of the Authority shall be closed only with the prior approval of the Authority and after surrender of certificate of registration.
- (24) Any applicant who has a representative office in India and is granted certificate of registration to function as a branch office, shall close the representative office within six months of grant of the certificate of registration.
- (25) Further powers of the Authority:
  - (a) The Authority shall have the right to call, inspect or investigate any document, record or communication from the branch office of the foreign reinsurer.
  - (b) Notwithstanding the above, where the Authority is of the opinion that the operations of a branch office of the foreign reinsurer are not in the interests of the Indian insurance market, the Authority reserves the right to take appropriate steps including suspension or cancellation of

certificate of registration after giving an opportunity to the foreign reinsurer of being heard.

**35. Repeals and Savings:**

- (1) These Regulations repeal Insurance Regulatory and Development Authority of India (Registration and Operations of Branch Offices of Foreign Reinsurers other than Lloyd's) Regulations, 2015 and Insurance Regulatory and Development Authority of India (Lloyd's India) Regulations, 2016;
- (2) The FRBs which have been issued certificate of registration by the Authority under Insurance Regulatory and Development Authority of India (Registration and Operations of Branch Offices of Foreign Reinsurers other than Lloyd's) Regulations, 2015 and which continue to be valid as on the date of publication of these regulations shall be deemed to be holding valid Certificate of Registration as if they have been issued under these Regulations;
- (3) Lloyd's India or Service Company of Lloyd's India which have been issued certificate of registration by the Authority under Insurance Regulatory and Development Authority of India (Lloyd's India) Regulations, 2016 and which continue to be valid as on the date of publication of these regulations shall be deemed to be holding valid Certificate of Registration as if they have been issued under these Regulations;
- (4) Applications pending with the Authority for grant of certificate of registration filed under Insurance Regulatory and Development Authority of India (Registration and Operations of Branch Offices of Foreign Reinsurers other than Lloyd's) Regulations, 2015 or Insurance Regulatory and Development Authority of India (Lloyd's India) Regulations, 2016 as on the date of publication of these regulations shall be processed for grant or Certificate of Registration under these regulations;
- (5) Where any inspection has been conducted or proceedings have been initiated by the Authority under Insurance Regulatory and Development Authority of India (Registration and Operations of Branch Offices of Foreign Reinsurers other than Lloyd's) Regulations, 2015 or Insurance Regulatory and Development Authority of India (Lloyd's India) Regulations, 2016, they shall continue to be governed by Insurance Regulatory and Development Authority of India (Registration and Operations of Branch Offices of Foreign Reinsurers other than Lloyd's) Regulations, 2015 and Insurance Regulatory and Development Authority of India (Lloyd's India) Regulations, 2016 as the case may be, till their final disposal;

**36. Amendment to other regulations:**

- (1) The Insurance Regulatory and Development Authority (Registration of Indian Insurance companies) Regulations, 2000 shall be amended to in the manner specified in the first schedule of these regulation.

37. **Power of the Authority to issue clarifications:** In order to remove any doubts or the difficulties that may arise in the application or interpretation of any of the provisions of these regulations, the Chairperson of the Authority may issue appropriate clarifications or circulars or guidelines as deemed necessary.

FORM IRDAI/FRB/R1  
(Refer Reg. 4 (1) of these regulations)

**[REQUISITION FOR REGISTRATION APPLICATION FOR BRANCH OFFICE  
OF FOREIGN REINSURER]**

1. Name of the applicant:
2. Address:
3. Date of incorporation of the applicant: [DD/MM/YYYY]
4. Registration No. (issued by the regulatory Authority of Foreign Country):
  
5. Authorization by home country regulatory / supervisor to transact: Life Insurance, General Insurance, Reinsurance Business or Composite business:
6. Amount of Authorised capital and Face value of shares or Amount of Authorised Capital or its equivalent and amount subscribed as the case may be:
7. Name, Address and contact details of the person(s) responsible for the affairs of the Branch Office:
8. Name, Address and contact details of the Regulatory Authority where the applicant is registered:
9. Net Owned Fund of the applicant as on \_\_\_\_\_ (latest financial year):
10. Credit rating for the last 3 years from any internationally renowned credit rating agencies:
11. No. of years that the foreign reinsurer has been active in the foreign reinsurance business:
12. Permission from the home country regulator allowing establishing a branch office in India:
13. Minimum Solvency Margin prescribed by the home regulator:
14. Solvency margin of the applicant:
15. Basis of calculating the solvency margin:
16. Details of shareholders of the applicant: [Please give full name, address, percentage of holding in the paid up capital of the foreign reinsurer, Occupation, Qualifications and Experience, Number of shares held and Percentage of share capital in the company] Please attach separate sheets if necessary.

Details of persons holding more than 1% of the paid up capital of the applicant are to be given.

Full Name [first, middle, surname]	Date of Birth	Address with Telephone Nos., Fax Nos., E-mail	Qualifications	Experience	Present occupation	No. of equity (voting rights) shares and percentage of total holding	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Mr. / Ms.							

**Note:** If the shareholder is a company or a body corporate registered in a foreign country, give the name of the company or body corporate in column (1), the country of incorporation and the date of registration in column (2), mention the areas of operation of the company in col.(5), leaving the columns 4 and 6 blank; particulars indicating the countries of operation, nature of business enclosing statements of accounts of the company or body corporate for the last 5 years are to be given. Adequate care may be taken to furnish full and complete information truthfully. Any misrepresentation found later will lead to disqualification of the applicant.

17. Details of Member of Lloyd's (wherever applicable): [Please give full name, address, percentage of holding in the paid up capital of the foreign reinsurer, Occupation, Qualifications and Experience, Number of shares held and Percentage of share capital in the company] Please attach separate sheets if necessary.

Details of persons holding more than 1% of the paid up capital of the applicant are to be given.

Full Name [first, middle, surname]	Date of Birth	Address with Telephone Nos., Fax Nos., E-mail	Qualifications	Experience	Present occupation	No. of equity (voting rights) shares and percentage of total holding	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Mr. / Ms.							

**Note:** If the shareholder is a company or a body corporate registered in a foreign country, give the name of the company or body corporate in column (1), the country of incorporation and the date of registration in column (2), mention the areas of operation of the company in col.(5), leaving the columns 4 and 6 blank; particulars indicating the countries of operation, nature of business enclosing statements of accounts of the company or body corporate for the last 5 years are to be given. Adequate care may be

taken to furnish full and complete information truthfully. Any misrepresentation found later will lead to disqualification of the applicant.

18. **Applicant:** This section should set out the background information. Following information should be included:

- (1) Particulars of the applicant (e.g. company name, address, names of directors, etc.):
- (2) Nature of business, years in business of the applicant:
- (3) Past record of regulatory interventions/restrictive directions in respect of the applicant:
- (4) The applicant's reasons for entering the reinsurance market:
- (5) Financial statements for the last five years. Strengths of the applicant:
- (6) Ratings by international credit rating agencies for the last 3 years excluding the year of making the application:
- (7) Indication of the degree of commitment to the Indian market place displayed by the applicant:
- (8) The obligations undertaken by the applicant:

19. **The Branch Office Details:**

This section should provide the key aspects of the Branch Office. This will cover the following:

- (1) Name of the Branch Office:
- (2) Branch Office Address:
- (3) Address for Communication (state the name of the Authorised person, telephone numbers, fax numbers, mobile number, e-mail address and such other details):
- (4) Chief Executive Officer & other Key Management Personnel and allocation of responsibilities.(Proposed):
- (5) Organizational structure:
- (6) Reporting relationships:
- (7) Applicable for Lloyd's: Details of Members of Syndicates who delegate authority to Service Companies and Lloyd's India: [Please give full name, address, percentage of holding in the paid up capital of the foreign reinsurer, Occupation, Qualifications and Experience, Number of shares held and Percentage of share capital in the company] Please attach separate sheets if necessary. Details of persons holding more than 1% of the paid up capital or its equivalent of the applicant are to be given.

Full Name [first, middle, surname]	Date of Birth	Address with Telephone Nos., Fax Nos., E-mail	Qualifications	Experience	Present occupation	No. of equity (voting rights) shares and percentage of total holding	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Mr. / Ms.							

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Note: If the shareholder/ subscriber is a company or a body corporate registered in a foreign country, give the name of the company or body corporate in column (1), the country of incorporation and the date of registration in column (2), mention the areas of operation of the company in col.(5), leaving the columns 4 and 6 blank; particulars indicating the countries of operation, nature of business enclosing statements of accounts of the company or body corporate for the last 5 years are to be given. Adequate care may be taken to furnish full and complete information truthfully. Any misrepresentation found later will lead to disqualification of the applicant.

**20. Capital structure:**

(1) Amount of Assigned Capital:

**21. Details of Directors of the applicant and Key Managerial Personnel responsible for overseeing the FRB operations in India i.e. Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Chief Underwriting Officer (CUO), etc. Provided that, CUO details are to be provided for FRB other than Lloyd's.**

Please furnish the particulars in separate sheets the pro forma given below:-

- (1) Name (and any previous names):
- (2) Private and Business Address (including any other private addresses within the last 15 years), current Telephone, Fax and E-mail Addresses:
- (3) Date and Place of Birth:
- (4) Nationality (and any previous Nationality):
- (5) Passport / Identity Card:
  - (a) Number:
  - (b) Date and Place of Issue:
  - (c) Date of expiry:
  - (d) Issuing Authority:
- (6) Name and Address of Bank:
  - (a) Account Numbers and Type of Account:
  - (b) Details of any loans or guarantees issued to or on behalf of the company in which the Directors and Key Management Personnel have a management or shareholding interest:
- (7) Family Status:
- (8) Details and Dates of Academic Qualification:
- (9) Details and Dates of Professional Qualification:
- (10) Description of the prospective position (including responsibilities) and proposed date of commencement:
- (11) Work Experience:
  - (a) Existing and Previous Employers (covering last 15 years):
  - (b) Details of whether the Directors and Key Persons and / or their Employers have been formally supervised or regulated:
  - (c) Nature of Employer's Business:
  - (d) Designation (including duties and responsibilities):



- (e) Date of Appointment:
  - (f) Date of Resignation/Departure:
  - (g) Details of Other Business interests in the last 15 years where the Directors and Key Management Personnel have been a working shareholder, director or controller:
- (12) Relationship with the Company or related Companies or other third parties:-
- (a) Details of shareholdings or voting powers in the company, or related Companies or third parties:
  - (b) Details of any Business relationships with the company or related Companies or third parties:
  - (c) Details of any Business relationships between the Directors and Key Management Personnel former employers and the company or related Companies or third parties:
- (13) Full details on the Directors and Key Management Personnel reputation and character:-
- (a) whether the applicant has ever been declared bankrupt;
  - (b) any convictions of any offence involving fraud or other dishonesty;
  - (c) any disqualification of the Directors and Key Management Personnel from acting as a director or in the management of any company or organisation;
  - (d) whether the Directors and Key Management Personnel have ever been refused (or had revoked) a licence or authorisation to carry on any regulated financial business;
- (14) Any censure or disciplinary action initiated by any government, regulatory or professional body;
- (15) Any dismissals from office or employment, subjection to disciplinary proceedings by the Directors' and Key Management Personnel's employer or been refused entry to any profession or occupation;
- (16) Any litigation in which the Directors and Key Management Personnel have been involved over the last 5 years;
- (17) Whether any governmental, regulatory or professional body has ever investigated any employer, company or organisation with which the Directors and Key Management Personnel have been associated as a director, officer, manager or shareholder;
- (18) Whether any company or organisation with which the Directors and Key Management Personnel were associated as a director, officer, manager, shareholder or controller has ever been wound up, gone into receivership or ceased trading either whilst the Directors and Key Management Personnel was associated with it or within one year after the Directors and Key Management Personnel so ceased to be associated.

In the Remarks column, please mention whether any director is an agent, broker, any other intermediary, director or employee of any other insurance company (or reinsurer) in India or in any foreign country or director of any other company in India or in any foreign country.

**(19) Financial Projections**

A description of the model used for financial projections and assumptions should be provided, (financial projections for a period of 5 years separately, for each year from the commencement of operations). These should set out the following:

- (a) Amount of business:
- (b) Size of support and administrative staff:
- (c) Premium income:
- (d) Investment income:
- (e) Commissions and other sales related expenses:
- (f) Expenses of administration:
- (g) Income tax and other taxes:
- (h) Statutory reserves:
- (i) Required solvency margins:
- (j) Profit and loss accounts and balance sheets:
- (k) Capital needs:
- (l) Break-even periods and the Return on Capital:

This section should also discuss the manner in which the future capital needs will be met.

**(20) Particulars of Previous Application:** Has the applicant ever applied for registration or request for registration in India? If so, give particulars.

**(21) Conclusion:** In conclusion, the application should discuss the viability of the operations. Any special issues or concerns should also be indicated.

**Certification**

I, the undersigned, solemnly declare that the facts given in this application form on behalf of the Applicant are true and that the projections and estimations are based on reasonable assumptions.

Place:

Date:

Signature of the Authorised Person (*with seal*)

**FORM IRDAI/FRB/ R2**  
**(Refer Reg. 10 of these regulations)**  
**APPLICATION FOR REGISTRATION**

1. ***Geographic Spread:*** Give the address of the administrative office and other offices. Please furnish which countries, jurisdictions and territories the branch office will cover.
2. ***Market Research and Analysis***  
The applicant may have undertaken some form of market analysis to ascertain the market potential. The applicant may furnish full description of the research, along with the conclusions reached.
3. ***Types of Reinsurance arrangements to be offered***  
The applicant may give detail of the types of reinsurance arrangements that it will offer to the Indian and other markets in order to enable it to become a regional hub.

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4. ***Underwriting***

This section should describe the approach used for underwriting of proposals, etc. Please also state the nature of support to be provided in underwriting and in training of underwriters and upgradation of skills of the local persons by the foreign reinsurer.

5. ***Investments***

Each company would have established its investment philosophy that will be appropriate for the products it intends to market. This should be described. Other information should include the investment personnel, investment adviser (if outsourced), location of the investment operations, investment brokers to be used, etc. and Regulations regarding Investment, Valuation, Exposure – Prudential – Provisioning Norms.

6. ***Information Technology:*** Insurance industry is very much dependent on computer technology. Full description should be provided of the following:

- The different areas where computer systems will be employed.
- The degree of interconnectivity of the systems.
- A description of how the IT systems will be used to develop the required Management Information System.
- Extent of procedures and operations which will remain manual.

7. ***Retention Limits and Reinsurance***

The nature of reinsurance arrangements should be described fully, giving the following details:

- The basis of reinsurance.
- Terms of reinsurance.
- Manner of reinsurance support from head office

8. ***Recruitment and Training***

Different areas of the company require personnel with different skill sets. Some of the special technical skills would require special focus. The company should submit a detailed write-up on its plans to impart technical skills and knowledge locally.

9. ***Internal Controls***

The company will need to establish a set of procedures and norms for various activities. The manner in which these will be monitored should be described.

10. ***Expenses of Administration***

The proposed expenses as a per cent of premium.

11. ***Technical skills***

The technical skills of the people who will work in the branch office and plan for imparting knowledge for skill upgradation at local level.

***Certification***

I, the undersigned, solemnly declare that the facts given in this application form on behalf of the Applicant are true and that the projections and estimations are based on reasonable assumptions.

Place:

Date:

Signature of the Authorised Person (*with seal*)

**FORM IRDAI/FRB/R3**  
**(Refer Reg. 14 of these regulations)**

भारतीय बीमा विनियामक और विकास प्राधिकरण  
Insurance Regulatory and Development Authority of India

**पंजीकरण का प्रमाण पत्र**  
**Certificate of Registration**

पंजीकरण संख्या / Registration Number: \_\_\_\_\_

प्रमाणित किया जाता है कि \_\_\_\_\_, भारत शाखा, पता - \_\_\_\_\_, \_\_\_\_\_ भारत, को इस तिथि से बीमा अधिनियम, 1938 (खंड 4) की धारा 3 की उपधारा (2 'अ') में दिये गए प्रावधान के अनुसार पुनर्बीमा व्यवसाय को चलाने के लिए पंजीकृत किया जाता है।

This is to certify that, \_\_\_\_\_, India Branch, Address \_\_\_\_\_, \_\_\_\_\_ India, has this day been registered in accordance with the provisions of sub-section (2A) of section 3 of the Insurance Act, 1938 (4 of 1938) to transact re-insurance business.

आज \_\_\_\_\_ में इस \_\_\_\_\_, दो हजार \_\_\_\_\_ के दिन प्राधिकरण कि मुहर के अधीन प्रदान किया गया है।

Given under the seal of the Authority at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, Two Thousand \_\_\_\_\_.

स्थान / Place:

(प्राधिकरण की मुहर /

कृते भारतीय बीमा विनियामक और विकास प्राधिकरण

तारीख: Date:

Seal of the  
Authority)

For and on behalf of Insurance Regulatory and  
Development Authority of India

**FORM IRDAI/FRB/R4**  
**(Refer Reg. 32 (1) of these regulations)**

**APPLICATION FOR ISSUE OF DUPLICATE CERTIFICATE OF  
REGISTRATION**

(FRB shall apply in the following format along-with with the documents specified herein:)

To  
Insurance Regulatory and Development Authority of India.  
Hyderabad

We request you to issue a duplicate certificate of registration for which we give below the following details:

1. Name of Foreign Reinsurer:
2. Registration Number:
3. Date of Certificate of Registration:
4. How original certificate has been lost, destroyed or mutilated:
5. Particulars of remittance of fee:

Place: \_\_\_\_\_ Yours truly,  
Date: \_\_\_\_\_ Name & Signature of CEO of the FRB (*with seal*)

Notes:

1. Enclose original copy of the resolution of the board (in duplicate) for the issue of duplicate certificate of registration;
2. Provide details for payment of fee amounting to Rupees five thousand in favour of the Insurance Regulatory and Development Authority of India.

**Annexure "1"**  
**(Refer Reg. 18 (1) of these regulations)**

**1. Details of Members of Lloyd's India :**

(1) Details of Members of Syndicate:

Name and Number of Lloyd's India Syndicate:			
Period for which Member(s) participating in _____(name and number of Syndicate) ----- Period from dd-month-year to dd-month-year.			
Sr. No.	Name of Member(s) participating in Syndicate	Percentage of Participation	Remarks (if any)
1			
2...			

- (2) [Please give Member-wise full name, address, percentage of holding in the paid up capital of the foreign reinsurer, Occupation, Qualifications and Experience, Number of shares held and Percentage of share capital in the company] Please attach separate sheets if necessary. Details of persons holding more than 1% of the paid up capital or its equivalent of the applicant are to be given.

Full Name [first, middle, surname]	Date of Birth	Address with Telephone Nos., Fax Nos., E-mail	Qualifications	Experience	Present occupation	No. of equity (voting rights) shares and percentage of total holding	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Mr. / Ms.							

Note: If the shareholder/ subscriber is a company or a body corporate registered in a foreign country, give the name of the company or body corporate in column (1), the country of incorporation and the date of registration in column (2), mention the areas of operation of the company in col.(5), leaving the columns 4 and 6 blank; statements of accounts of the company or body corporate for the last 3 years are to be given

**Annexure “2”**

**(Refer Reg. 20 (1), 20(2) 26 and 28 (1) of these regulations)**

Application Form - IRDAI/ Lloyd’s India Service Company & Lloyd’s India Syndicate  
**(to be applied through Lloyd’s India)**

**1. Details of Lloyd’s India Service Company**

- (1) Name of the Lloyd’s India Service Company:
- (2) Address:
- (3) Date of incorporation of the applicant: [DD/MM/YYYY]
- (4) Registration No. issued by the Registrar of the Company, India:
- (5) Main objects of MOA/ AOA of the Lloyd’s India service company:
- (6) Amount of authorised capital or its equivalent and amount subscribed:
- (7) No. of years that the managing agent / promoter of the service company has been active. If so, details thereof:
- (8) Permission from Lloyd’s allowing establishment of a service company by the Managing Agent or Board Resolution by the Board of Directors of the promoter of the service company, as applicable:
- (9) Details of shareholders/ subscribers of the service company: [Please give full name, address, percentage of holding in the paid up capital of the managing agent, Occupation, Qualifications and Experience, Number of shares held and Percentage of share capital in the company] Please attach separate sheets if necessary. Details of persons holding more than 5% of the paid up capital or its equivalent of the applicant are to be given.

Full Name [first, middle, surname]	Date of Birth	Address with Telephone Nos., Fax Nos., E-mail	Qualifications	Experience	Present occupation	No. of equity (voting rights) shares and percentage of total holding	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Mr. / Ms.							

**Note:** If the shareholder/ subscriber is a company or a body corporate registered in a foreign country, give the name of the company or body corporate in column (1), the country of incorporation and the date of registration in column (2), mention the areas of operation of the company in col.(5), leaving the columns 4 and 6 blank; particulars indicating the countries of operation, nature of business enclosing statements of accounts of the company or body corporate for the last 5 years are to be given. Adequate care may be taken to furnish full and complete information truthfully. Any misrepresentation found later will lead to disqualification of the service company.

(10) **Details of Managing Agent / Promoter of the Service Company, as applicable:**

This section should set out the background information. Following information should be included:

- (a) Particulars of the Managing Agent / Promoter of the service company, as applicable (e.g. company name, address, names of directors, etc.).
- (b) Nature of business, years in business of the Managing Agent/ Promoter of the Service Company.
- (c) Past record of regulatory interventions/restrictive directions in respect of the Managing Agent/ Promoter of the Service Company.
- (d) Financial statements for the last five years.
- (e) Strengths of the Managing Agent/ Promoter of the service company.

(11) **Details of Service Company**

This section should provide the key aspects of the service company. This will cover the following:

- (a) Service Company Address:
- (b) Address for Communication (state the name of the Authorised person, telephone numbers, fax numbers, mobile number, e-mail address and such other details:
- (c) Whether the service company has completed the Lloyd's Service Company Coverholder Undertaking through which the Service Company agrees to comply with all relevant rules and requirements of both Lloyd's and the local legal, fiscal, taxation and regulatory authorities. – Yes/ No



- (d) Whether the service company has completed the Lloyd's Coverholder Decision Paper - Yes/ No
  - (e) Please provide detailed information on the following:
    - (i) the level of underwriting and claims authority granted to the Service Company by the Managing Agent/ Promoter;
    - (ii) the business strategy for the Service Company which will include geographic spread, underwriting, types of reinsurance arrangements including retention limits, investments, information technology recruitment and training, internal controls, expenses of administration, technical skills.
    - (iii) details relating to principal staff operating in the Service Company,
    - (iv) financial information,
    - (v) professional indemnity details,
    - (vi) classes of business to be underwritten by the Service Company,
    - (vii) the approach the Service Company will take to ensure compliance with licensing requirements.
  - (f) Allocation of responsibilities of Chief Executive Officer, Chief Underwriting Officer & Chief Financial Officer.(Proposed)
  - (g) Organizational structure. Reporting relationships.
  - (h) Whether the service company has completed the Lloyd's Service Company Self-Assessment against the Lloyd's Minimum Standards – Yes/ No
  - (i) Whether the Service company has entered into Service Company Underwriting Agreement, a contract that delegates authority to the service company from Members of Lloyd's of the relevant syndicates – Yes/ No
  - (j) If yes, the details of the syndicates they represent.
- (12) **Details of all the Directors, Chief Executive Officer (CEO), Chief Underwriting Officer (CUO) and Chief Financial Officer (CFO) of the service company (Key Management Personnel):** Please furnish the particulars in separate sheets the pro forma given below:-
- (a) Name (and any previous names)
  - (b) Private and Business Address (including any other private addresses within the last 15 years), current Telephone, Fax and E-mail Addresses:
  - (c) Date and Place of Birth
  - (d) Nationality (and any previous Nationality)
  - (e) Passport / Identity Card:
    - (i) Number:
    - (ii) Date and Place of Issue:
    - (iii) Date of expiry:
    - (iv) Issuing Authority:
  - (f) Details of any loans or guarantees issued to or on behalf of the company in which the Directors and Key Management Personnel have a management or shareholding interest
  - (g) Family Status
  - (h) Details and Dates of Academic Qualification:
  - (i) Details and Dates of Professional Qualification:

- (j) Description of the prospective position (including responsibilities) and proposed date of commencement:
- (k) Work Experience:
  - (i) Existing and Previous Employers (covering last 15 years)
  - (ii) Details of whether the Directors and Key Persons and / or their Employers have been formally supervised or regulated
  - (iii) Nature of Employer's Business
  - (iv) Designation: (including duties and responsibilities)
  - (v) Date of Appointment
  - (vi) Date of Resignation/Departure
  - (vii) Details of Other Business interests in the last 15 years where the Directors and Key Management Personnel have been a working shareholder, director or controller.
- (l) Relationship with the Company or related Companies or other third parties:-
  - (i) Details of shareholdings or voting powers in the company, or related Companies or third parties:
  - (ii) Details of any Business relationships with the company or related Companies or third parties:
  - (iii) Details of any Business relationships between the Directors and Key Management Personnel former employers and the company or related Companies or third parties:
- (m) Full details on the Directors and Key Management Personnel reputation and character:-
  - (i) whether the applicant has ever been declared bankrupt;
  - (ii) any convictions of any offence involving fraud or other dishonesty;
  - (iii) any disqualification of the Directors and Key Management Personnel from acting as a director or in the management of any company or organisation;
  - (iv) whether the Directors and Key Management Personnel have ever been refused (or had revoked) a licence or authorisation to carry on any regulated financial business;
- (n) Any censure or disciplinary action initiated by any Government, regulatory or professional body;
- (o) Any dismissals from office or employment, subsection to disciplinary proceedings by the Directors' and Key Management Personnel's employer or been refused entry to any profession or occupation;
- (p) Any litigation in which the Directors and Key Management Personnel have been involved over the last 5 years;
- (q) Whether any governmental, regulatory or professional body has ever investigated any employer, company or organisation with which the Directors and Key Management Personnel have been associated as a director, officer, manager or shareholder;
- (r) Whether any company or organisation with which the Directors and Key Management Personnel were associated as a director, officer, manager, shareholder or controller has ever been wound up, gone into receivership or ceased trading either whilst the Directors and Key Management Personnel was

associated with it or within one year after the Directors and Key Management Personnel so ceased to be associated.

In the Remarks column, please mention whether any director is an agent, broker, any other intermediary, director or employee of any other insurance company (or reinsurer) in India or in any foreign country or director of any other company in India or in any foreign country.

## 2. **Details of the Lloyd's India Syndicate**

- (1) Name and other details of Members of Lloyd's promoting Lloyd's India Syndicate:
- (2) Permission from Members of Lloyd's to set-up Lloyd's India syndicate:
- (3) Line of reinsurance business that will be underwritten by Lloyd's India syndicate:  
Life/ General/ Composite
- (4) Whether the syndicate has entered into the Service Company Underwriting Agreement – Yes/No
- (5) If yes, details of the service company
- (6) Amount of assigned capital of Lloyd's syndicate: Rs ....

### (7) **Financial Projections**

A description of the model used for financial projections and assumptions should be provided, (financial projections for a period of 5 years separately, for each year from the commencement of operations). These should set out the following:

- (i) Amount of business.
- (ii) Size of support and administrative staff.
- (iii) Premium income.
- (iv) Investment income.
- (v) Commissions and other sales related expenses.
- (vi) Expenses of administration.
- (vii) Income tax and other taxes.
- (viii) Statutory reserves.
- (ix) Required solvency margins.
- (x) Profit and loss accounts and balance sheets.
- (xi) Capital needs.
- (xii) Break-even periods and the Return on Capital.

This section should also discuss the manner in which the future capital needs will be met.

- (8) **Particulars of Previous Application:** Has the applicant ever applied for registration or request for registration in India? If so, give particulars.
- (9) **Conclusion:** In conclusion, the application should discuss the viability of the operations. Any special issues or concerns should also be indicated.

### ***Joint Certification by the Lloyd's India Service Company and Lloyd's India Syndicate***

We, the undersigned, solemnly declare that the facts given in this application form on behalf of the Applicant are true and that the projections and estimations are based on reasonable assumptions.

Yours truly,

Place:

Date:

Signature of the Authorised Person representing  
Lloyd's India Service Company (*with seal*)

Place:

Date:

Signature of the Authorised Person representing  
Lloyd's India Syndicate (*with seal*)

***Certification by Chief Executive Officer, Lloyd's India***

I, the undersigned, solemnly declare that the facts given in this application form on behalf of the Applicant are true.

Place:

Date:

Yours truly,  
Signature of the CEO, Lloyd's India (*with seal*)

**FORM IRDAI/LLOYD'S/SC  
(Refer Reg. 22 (2) of these regulations)**

**CERTIFICATE OF REGISTRATION FOR SERVICE COMPANY OF LLOYD'S  
INDIA**

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA  
***CERTIFICATE OF REGISTRATION***

Registration Number. \_\_\_\_\_

This is to certify that (Name of the Lloyd's India Service Company with address) has this day been registered in accordance with the provisions of sub-section (2A) of section 3 of the Insurance Act, 1938 (4 of 1938) to transact re-insurance business on behalf of member of (Name of the Syndicate) who become constituents of Lloyd's India in accordance with the Insurance Regulatory and Development Authority of India (Registration and Operations of Branch Offices of Foreign Reinsurers) Regulations, 2020. This list of members of \_\_\_\_ (Name of Syndicate) \_\_\_\_ is placed at website of the Authority.

This registration shall be valid from xx-xx-xxxx to xx-xx-xxxx.

Given under the seal of the Authority at this \_\_\_\_\_ day of \_\_\_\_\_ two thousand and  
\_\_\_\_\_

स्थान / Place:

(प्राधिकरण की मुहर

कृते भारतीय बीमा विनियामक और विकास प्राधिकरण

तारीख: Date:

/  
Seal of the  
Authority)

For and on behalf of Insurance Regulatory and  
Development Authority of India

FIRST SCHEDULE

[Refer Regulation 39 of these regulations]

Amendment to Insurance Regulatory and Development Authority (Registration of Indian Insurance companies) Regulations, 2000.

1. Proviso after sub-regulation (ii) (b) of Reg. 20 of the IRDA (Registration of Indian insurance companies) Regulations, 2000, the proviso shall be substituted, namely:

Provided that, in case of an insurer carrying on solely re-insurance business, it shall pay an annual fee to the Authority by such date as would be specified in the Guidelines, which shall be higher of;

- (a) Rupees five lakh or;
- (b) one hundred-eightieth of one percent of Gross Written Premium booked in India during the financial year preceding the year in which the annual fees is paid, subject to a maximum of rupees ten crore.

Dr. SUBHASH C. KHUNTIA,  
Chairman  
[ADVT.-III/x/Exty./xxx/xx]