



Ref: IRDA/F&A/CIR/MISC/032/02/2021

25th February, 2021

CIRCULAR

To
All the Insurers,

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

Ref:

1. IRDAI Circular no. IRDA/F&A/CIR/MISC/089/04/2020 dated 13th April, 2020
2. IRDA/F&A/CIR/MISC/099/04/2020 dated 24th April, 2020

This has reference to the aforesaid circulars.

1. The Authority has been assessing the economic position both at global level and at the Indian context, in general and the insurance sector in particular. The situation has been assessed based on the financial results of insurers for the quarters ending 30th September, 2020 and 31st December 2020. It is observed that the performance of the insurers in terms of business is gradually reviving, albeit at a slower pace vis-a-vis the pre-covid levels.

2. Considering the revival phase of the economy in general and the insurance industry in particular, and taking into account the solvency position of the insurers, it has been decided to withdraw the applicability of the circular dated 24th April 2020 mentioned above with immediate effect. However, insurers are requested to take a conscious call in the matter of declaring dividends for FY 2020-21 considering their **capital, solvency and liquidity positions.**

3. The Boards of the insurers may be kept informed of the contents of this circular.

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