



भारतीय बीमा विनियामक और विकास प्राधिकरण
INSURANCE REGULATORY AND
DEVELOPMENT AUTHORITY OF INDIA

Cir No. IRDAI/F&A/CIR/MISC/99/5/2022

12th May, 2022

To

CEOs of General Insurers, Reinsurers and FRBs (including Lloyd's)

Subject: Rationalization of compliance requirements

Ref: -

- (i) Compliance requirements prescribed for the Branches of the foreign reinsurers under Public Disclosures by Insurers vide IRDAI circular ref. no. IRDAI/F&A/CIR/MISC/256/09/2021 dated 30.09.2021 and
- (ii) Revised Guidelines on Stewardship Code for Insurers in India issued vide IRDAI circular ref. no. IRDAI/F&A/GDL/CPM/045/02/2020 dated 07.02.2020.

The Authority has received representations on the rationalization of compliance requirements of Foreign Reinsurance Branches (FRBs) as they are not directly dealing with the retail customers. Further, representations have also been received from the non-life industry to dispense with the Form NL 40 on disclosure of Underwriting performance on their respective websites. Accordingly, the following requirements on Public Disclosures have been reviewed and modifications have been made as under:

2. Publication in News Paper by FRB and Lloyd's India:

FRBs and Lloyd's India provide reinsurance support to the direct insurers and the insurers do conduct their due diligence on the FRBs while entering reinsurance contracts with them. The necessary information on financials is also made available through Public Disclosures on the respective website of the FRBs. Reinsurance business is B2B segment and the policyholders do not deal with the Reinsurers.

Accordingly, it has been decided that the FRBs and Lloyd's India need not publish the half yearly and annual Revenue Account, Profit & Loss Account, Balance Sheet and Analytical Ratios etc. as mandated in the captioned circular in the newspapers. However, they may continue to publish a true and accurate abstract of the various returns for the purpose of publicity on a voluntary basis pursuant to provisions of section 25 of the Insurance Act, 1938.

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3. **Stewardship Returns and Public Disclosure by FRB and Lloyd's India:**

Traditionally, the FRBs and Lloyd's India do not invest in equity instruments and they mainly invest in G Sec and Debt markets. Based on the investment exposures of the Branches of Foreign Reinsurers and Lloyd's India are granted following exemptions -

The entities, whose investment policy does not permit the investment in equity are exempted from the application of Common Stewardship Code, disclosure

- i. requirements and returns. The Public Disclosure may, accordingly, be shown as 'Not Applicable'.
- ii. The entities, whose investment policy allows equity investment but have not made any investment in equity – the Code is applicable. However, a NIL return will be a sufficient compliance for the same.
- iii. Other entities have to comply with the prescribed requirements.

4. **Public Disclosure of Form - 40 on underwriting performance by the General Insurers, FRBs and Lloyd's India**

The Authority has received concerns regarding the uploading of NL-40 - Segmental Underwriting Performance on the respective website of the insurers under Public disclosures. Taking note of the same, it has been **decided to discontinue the uploading of NL-40 as prescribed under the Public Disclosures**. However, the above Insurers are advised to file the said format to the Authority by e-mail at **finance-nonlife@irdai.gov.in**.

5. This circular is issued under section 14(2)(e) of the Insurance Regulatory and Development Authority Act, 1999.

Mamta Suri

Mamta Suri
Executive Director

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