



Press release	
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Solvency Margin requirement for crop insurance relaxed by IRDAI	
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<p>IRDAI, in its series of reforms, has reduced the solvency margin requirement for Insurers doing crop business. This move will increase the capacity of General Insurers to underwrite more business.</p> <p>Since FY 2017-18, IRDAI has been relaxing the period of admissibility of premium due from Government for solvency calculation purpose, from 180 days to 365 days. Now, it has been decided to extend the above relaxations from FY 2022-23 onwards till further orders. This move will improve the solvency status of the General insurance industry as a whole.</p> <p>It is expected that the effect of this relaxation will be positive on the Industry as it will free up the capital, which can be utilized for underwriting more business. It is estimated that approximately Rs.1400 crores will be unlocked and General insurers may use this opportunity to optimize this freed up capital in a way which leads to increased insurance penetration in India.</p>	
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