



बीमा विनियामक और विकास प्राधिकरण  
**INSURANCE REGULATORY AND  
DEVELOPMENT AUTHORITY**

IRDA/Life/Cir/GLD/104 /04/2014

9<sup>th</sup> April 2014

To

All Insurers,

**Sub: Delegation of policies / reviews by the Boards of the Insurers to Board approved Subordinate Committees**

- 1) Reference is invited to the Authority's Circular No. IRDA/Life/CIR/GLD/013/02/2011 dated 01/02/2011 wherein Vide Clause 9.1 it was prescribed that the Board of Directors of Insurers shall approve the comprehensive outsourcing policy and Vide Clause 9.3 it was also prescribed that the Board of Directors of Insurers shall annually review the performance of all third party service providers. In partial modification of the above provisions, it is now clarified that:
  - a) The Board may consider delegating to the Risk Management Committee constituted as per Clause 7.3 of Corporate Governance Guidelines for Insurance Companies (Circular No. IRDA/F&A/Cir/025/2009-10 dated 05/08/2009), the mandate of approving the outsourcing policy and reviewing the performance of all the third party service providers as required under Clause 9.1 and Clause 9.3 of Outsourcing Guidelines dated 01/02/2011.
  - b) Where a review is carried out by the Risk Management Committee as envisaged under Clause 9.1 and Clause 9.3 of the Outsourcing Guidelines, the minutes of the meetings of Risk Management Committee that reviewed the 'outsourcing policy and performance of all the third party service providers' shall be placed before the Board of Directors in the ensuing meeting.
  - c) It is further clarified that though the Risk Management Committee is also now permitted to review the 'outsourcing policy and the performance of Third Party Service Providers', the onus of compliance with all relevant laws, regulations/ guidelines/ notifications issued from time to time, with regard to outsourcing, rests with the Board of Directors of Insurers.
- 2) In compliance to Clause 15 of *Guidelines on Servicing of Orphan policies (Ref: IRDA/Life/GDL/Agn/134/06/2012 dated 13<sup>th</sup> June, 2012)*, the Boards may delegate laying down a 'policy for allotment of lapsed orphan policies' to Risk Management Committee in compliance with the relevant regulatory framework.

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- 3) The minutes of the meetings of the Risk Management Committee referred at Clause (2) above shall be placed before the Board in the ensuing meeting.

The above modifications will come into effect immediately.



(T S Vijayan)  
Chairman