



MINUTES OF THE 106th MEETING OF THE AUTHORITY

held on 7th October, 2019 at 11.00 AM at Hyderabad

Present:	Chairman	Dr. Subhash C. Khuntia
	Whole-time Member	Ms. Pournima Gupte
	Whole-time Member	Shri Pravin Kutumbe
	Whole-time Member	Shri Sujay Banarji
	Whole-time Member	Smt. T L Alamelu
	Part-time Member	Smt. Sushama Nath
	Part-time Member	Shri Debasish Panda

Also present:

Designated Officer	Shri M. Pulla Rao, ED (Gen)
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The Chairman welcomed all the Members present. He extended special welcome to Smt. T L Alamelu, Whole-time Member (Non Life), who was attending the meeting for the first time after her appointment. Leave of absence was granted to Shri K Ganesh, Whole-time Member and Shri Prafulla P Chhajed, Part-time Member. Quorum was present.

9. Minor Changes carried out in (i) IRDAI (Unit Linked Insurance Products) Regulations, 2019 (ii) IRDAI (Non-Linked Insurance Products) Regulations, 2019

9.1 It was submitted that subsequent to approval of the captioned regulations by the Authority in its 104th meeting held on 28th March, 2019, it was noticed that certain minor changes were required to be carried out in the approved regulations to remove grammatical mistakes, typographical errors, wrong mention of provisions and lack of clarity in some instances. The regulations were notified in the official gazette on 10th July, 2019 after effecting such changes.

9.2 The Authority ratified the issuance of IRDAI (Unit Linked Insurance Products) Regulations, 2019 and IRDAI (Non-Linked Insurance Products) Regulations, 2019 with the changes.

10. Supplementary Budget for the Financial Year 2019-20

10.1 It was submitted that housing loans are extended to staff at concessional rates. With the objective of externalising the capital outlay of housing loans with only interest subvention to employees, a small outlay of Rs. 1 crore was made under this head in the budget for FY 2019-20. However, after analysing the financial implications based on

offers received from banks/housing finance companies, it was observed that direct lending to the employees would be more cost-effective than interest subvention. For direct lending, the requirement of funds during FY 2019-20 is estimated to be Rs. 11 crore. Therefore, a supplementary budget of Rs. 10 crore towards 'loans and advances-staff' is proposed.

10.2 The Authority considered the agenda item and approved a supplementary budget of Rs. 10 crore towards 'loans and advances – staff'.

13. Quarterly statement of foreign tours undertaken by the Chairman and Members for the period from 1st April, 2019 to 30th June, 2019

The statement was noted by the Authority. The Authority was informed that IRDAI would be hosting the next Annual Meeting and Conference of the Asian Forum of Insurance Regulators (AFIR) in July 2020 in Hyderabad.

14. Quarterly Statement of regulatory actions taken by Nodal Departments for the period from 1st April, 2019 to 30th June, 2019

The Authority noted the regulatory actions taken during the quarter ending 30th June, 2019. These included 9 directions, 1 caution, 29 advisories, 2 penalties involving an aggregate sum of Rs. 4 lakh and cancellation of Certificate of Registration of an insurance broker.

15. List of Circulars/Guidelines issued subsequent to 3rd June, 2019 and up to 15th September, 2019

The Authority noted the circulars issued during the period.

16. Public Disclosures by Life and Non Life Insurance Companies for the year ending 31st March, 2019

The Authority noted that all life and non-life insurers have complied with all the mandated disclosures on their websites for the year ended 31st March, 2019.

18. Draft IRDAI (Health Insurance) (Amendment) Regulations, 2019

18.1 It was submitted that after the notification of IRDAI (Health Insurance) Regulations, 2016 on 12th July 2016, certain clarifications covering norms for treatment under AYUSH and settlement of claims under multiple policies were issued to Insurers on 10th January, 2017. For incorporating these clarifications into the Regulations, to introduce certain new provisions and to carry out some modifications, 'in principle' approval of the Authority was taken in its meeting held on 21st June, 2019.

18.2 The draft regulations prepared were placed before the Insurance Advisory Committee (IAC) in its 40th meeting held on 25th September, 2019. Suggestions of IAC on simultaneous cashless approvals and to issue guidelines on settlement of claims in order to address problems faced by policyholders of multiple policies have been suitably incorporated.

18.3 After discussion, the Authority approved the IRDAI (Health Insurance) (Amendment) Regulations, 2019.

19. Draft IRDAI (Third Party Administrators - Health Services) (Amendment) Regulations, 2019

19.1 It was submitted that an 'in principle' approval of the Authority was taken on 28th March, 2019 to amend the IRDAI (TPA-HS) Regulations, 2016.

19.2 The draft regulations were exposed for public consultation and the comments received from 29 stakeholders were analysed and duly factored in, wherever considered necessary. Further, the draft regulations were placed before the IAC in its 40th meeting held on 25th September, 2019. The suggestions of IAC have been incorporated suitably while preparing the present draft.

19.3 After discussion, the Authority approved IRDAI (Third Party Administrators - Health Services) (Amendment) Regulations, 2019.

21. Report on country-wise business carried out in the GIFT City

21.1 As advised by the Authority, as per Agenda item no. 14 of 105th meeting held on 21st June, 2019, the details of country-wise break-up of business in the GIFT city were presented.

21.2 The Authority noted the positive RI business growth registered by both the Insurers during the last two financial years; with NIA garnering the majority of business from Asian countries like Bangladesh, Sri Lanka, Nepal, Bhutan, Maldives and Vietnam while the business of GIC Re came from Qatar and CIS countries like Armenia, Kazakhstan, Ukraine and Uzbekistan.

22. Issuance of IRDAI (Insurance Intermediaries) (Amendment) Regulations, 2019

22.1 The Authority was briefed that after the budget announcement permitting 100% FDI in insurance intermediaries, Government of India, Ministry of Finance, Department of

Financial Services has amended the Indian Insurance Companies (Foreign Investment) Rules, 2015.

22.2 It was informed that FDI limit and the criteria of “Indian owned and Indian controlled” referred to in the regulations pertaining to six entity classes, i.e., Insurance Brokers, Insurance Web Aggregators, Insurance Marketing Firms, Corporate Agents, Insurance Surveyors and Loss Assessors, Third Party Administrators - Health Services are impacted by the said notification. With a view to giving effect to the provisions of the amended rules, it is proposed to amend all 6 regulations through a single amendment regulation.

22.3 The draft regulations have been finalised and they were placed before the IAC in its 40th meeting held on 25th September, 2019. The IAC suggested that guidelines for permitting repatriation of dividend may be developed for clarity and transparency and recommended to place the regulations before the Authority.

22.4 After due deliberation, the Authority approved the IRDAI (Insurance Intermediaries) (Amendment) Regulations, 2019.

24. Revision of Internship Policy

24.1 It was submitted that the Authority in its 87th meeting held on 27th March, 2017, had approved an internship programme for students who are pursuing graduation and post-graduation courses from reputed institutions and IIRM. So far, 49 students have completed their internship. Keeping in view the latest policies in vogue in RBI and SEBI and based on felt need, a revision in the internship policy is now proposed. The important changes proposed are (i) students in the pre-final of graduation (4th year in case of 5-year integrated law course), pre-final year of post-graduation, one-year Master’s degree, and pursuing full time research in Insurance/Economics/Finance /Management after post-graduation to be eligible; (ii) to offer internship for two to three months during April – July; (iii) increase in stipend from a consolidated Rs. 10,000/- to Rs. 15,000/- per month

24.2 The Authority approved the revision of Internship Policy.

25. IRDAI (Annual Report) for the F.Y. 2018-19

25.1 It was submitted that the Annual Report of the Authority has been drafted in accordance with the provisions of Section 20 (2) of the IRDA Act, 1999 in the format prescribed in the IRDA (Annual Report – Furnishing of returns, statements and other

particulars) Rules, 2000. The Report is required to be furnished to the Central Government within nine months after the close of each financial year.

25.2 The Authority approved the Annual Report for 2018-19 and also authorised the Chairman to submit the same to the Government after revisions, as may be needed.

27. Revision in Sanctioned Strength

27.1 It was submitted that the manpower requirement in the Authority was last approved by the Authority in its 97th meeting held on 31st May, 2017. Taking into account the current workload, additional needs of Departments, length of service of officers in current grades and the need to enhance the strength at the entry level, the immediate total staff requirement in various grades under promotion, direct/lateral recruitment and under deputation has been re-assessed. The revised staff strength includes proposed deputation reserve of 20% (deputation reserve of 18% and leave reserve of 2%). Thus, the staff strength will go up from 295 (including deputation reserve) to 336.

27.2 After deliberation, the Authority approved the proposed revision in the sanctioned strength.

28. Young Professional Programme (YPP)

28.1 It was submitted that the proposed YPP is aimed at providing an opportunity to young and bright individuals to work on important initiatives in IRDAI, so that IRDAI can benefit from their expertise. Under the programme, the selected persons will work in different departments and provide analysis and high-quality professional inputs in Life/General/Health insurance, Economics, Finance, Law, etc. It was further informed that some of the features of the programme were modelled on such programmes implemented by NITI Aayog, Ministry of Finance, RBI and SEBI. Under the programme, Graduates/Post Graduates/Research Scholars in any discipline from recognised and reputed institutions with exceptional analytical and leadership abilities and stellar academic record would be engaged for a duration of 6 months, extendable by a further period of 6 months, for a consolidated remuneration of Rs. 40,000/- per month.

28.2 The Authority approved the proposal.

The meeting ended with a vote of thanks to all Members.

CHAIRMAN