



MINUTES OF THE 112th MEETING OF THE AUTHORITY

held on 17th March, 2021 at 11 AM at Hyderabad

Present:	Chairman	Dr. Subhash C. Khuntia
	Whole-time Member	Smt. T L Alamelu
	Whole-time Member	Shri K Ganesh
	Whole-time Member	Shri Parmod Kumar Arora
	Whole-time Member	Smt. S N Rajeswari
	Part-time Member	Smt. Sushama Nath (through VC)
	Part-time Member	Shri Debasish Panda (through VC)
	Part-time Member	Shri Nihar N Jambusaria (through VC)

Also present:

Designated Officer	Shri Suresh Mathur, Executive Director
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The Chairman extended a warm welcome to the Members present. He specially welcomed Shri Parmod Kumar Arora, Member (Actuary), Smt. S N Rajeshwari, Member (Distribution), and Shri Nihar N Jambusaria, President, ICAI who were attending the meeting for the first time after their appointment as Members. He also placed on record the valuable contributions made to the deliberations of the Authority by Shri Pravin Kutumbe, former Member (F&I), and Shri Atul Kumar Gupta, former President, ICAI. The quorum was present.

The agenda items were then taken up for consideration.

4. Statement of foreign tours undertaken by the Chairman and Members for the period from 1st December, 2020 to 28th February, 2021

The statement was noted by the Authority.

5. List of circulars/guidelines issued from 1st December, 2020 to 28th February, 2021

The Authority noted the circulars/guidelines issued from 1st December to 28th February, 2021.

7. Draft IRDAI (Regulatory Sandbox) (Amendment) Regulations, 2021

7.1 It was submitted that the IRDAI (Regulatory Sandbox) Regulations, 2019 was notified on 26th July, 2019 and is valid for a period of 2 years, i.e. up to 25th July, 2021. As most of the sandbox proposals could not be tested completely due to COVID-19, it has been proposed to extend the validity of the Regulations by 2 more years, and such course of action has been recommended by the Insurance Advisory Committee (IAC) in its 43rd meeting held on 25th February, 2021.

7.2 After consideration, the Authority approved the agenda item.

8. Draft IRDAI (Insurance Advertisements and Disclosure) Regulations, 2021

8.1 Approval of the Authority was taken in its 110th meeting held on 14th October, 2020 for placing the draft IRDAI (Insurance Advertisements and Disclosure) Regulations, 2021 on IRDAI website for public and stakeholder's comments. Subsequently, the draft regulations were placed before the IAC in its 43rd meeting held on 25th February, 2021 and the Committee recommended to place the same before the Authority.

8.2 After discussion, the Authority approved the agenda item.

11. Draft IRDAI (Manner of Assessment of Compensation to Shareholders or Members on Amalgamation) Regulations, 2021

11.1 Approval of the Authority was taken in its 110th meeting held on 14th October, 2020 for placing the draft IRDAI (Manner of Assessment of Compensation to Shareholders or Members on Amalgamation) Regulations, 2021 for public and stakeholder's comments. Subsequently, the draft Regulations were placed before IAC in its 43rd meeting held on 25th February, 2021 and the Committee recommended to place the same before the Authority.

11.2 After discussion, the Authority approved the agenda item.

12. Draft IRDAI (Preparation of Financial Statements and Auditor's Report of Insurance Companies) (First Amendment) Regulations, 2021

12.1 Approval of the Authority was taken in its 111th meeting held on 16th December, 2020 (i) for carrying out the amendment to (Preparation of Financial Statements and Auditor's Report of Insurance Companies) (First Amendment) Regulations, 2021, and (ii) for placing the draft on IRDAI website for public and stakeholder's comments. Subsequently, the draft regulations were placed before the IAC in its 43rd meeting held on 25th February, 2021 and the Committee recommended to place the same before the Authority.

12.2 After discussion, the Authority approved the agenda item.

22. Revision of Pay Scales 2016- Reduction in Special Allowance

22.1 In the agenda submitted for approval of pay revision in the 94th Authority meeting held on 24th October, 2016, it was proposed that special allowance (SA) @ 25% of the revised limits be applied to new candidates who will join the services of IRDAI in the grades 'A' and 'B' after the pay revision. On this, the Authority sought to find out the rationale for such a reduction for 'A' and 'B' grades in SEBI. An ATR was furnished in the 96th Authority meeting held on 3rd March, 2017, stating that the rationale for reduction in SA was to align the same with RBI.

22.2 Since the pay revision on 31st October, 2016, 41 employees have joined through direct recruitment as officers. While fixing the pay scale for such new recruits, 100% of SA was allowed. This appears to be an inadvertent omission as there was no specific approval of the Authority with regard to the special allowance payable to new direct recruits. IRDAI aligns the pay structure, to the extent possible, with that of SEBI and 25% of SA is paid to fresh recruits in Grades 'A' and 'B' by SEBI possibly due to their lack of previous experience.

22.3 In the light of the same, it was proposed (i) to fix special allowance of directly recruited officers in Grade 'A' at 25% of that payable to other employees in the same grade and to make it applicable prospectively to officers in grade 'A' to be recruited directly in future, and (ii) to continue special allowance of 41 officers directly recruited

after the pay revision at 100% of the rate applicable to other employees in the same grade, as they have been already drawing such special allowance.

22.4 After due deliberations, the Authority approved the agenda item.

23. Superannuation Fund Scheme (Modifications)

23.1 The Authority in its 96th meeting held on 3rd March 2017 had taken a decision to reduce the contribution to Superannuation Fund Scheme in a phased manner with no contribution to be made from 1.4.2023 and the scheme shall continue with only employees' contribution from 1.4.2023. Subsequently, it was found that the condition of non-contribution by the employer was at variance with the condition of approval from the Income Tax Authorities. Therefore, it was proposed (i) to contribute Rs.1000 per annum from 1st April, 2023 as employer's contribution to the scheme, and also (ii) to allow the scheme to run with existing members only, and not to allow any new member, so as to facilitate run-off of the scheme.

23.2 The Authority approved the agenda item.

30. De-Notification of All India Fire Tariff (AIFT), 2001 for certain risks and introduction of new product structure for dwellings, micro and small businesses

30.1 The Authority in its 108th meeting held on 12th June, 2020 approved the de-notification of erstwhile all India fire tariff (AIFT), 2001 for certain risks and introduction of new standard products for dwellings, micro and small businesses. Accordingly, de-notification of AIFT was issued on 28th December 2020. Further, guidelines were issued on 4th January, 2021 for introducing new standard products i.e., Bharat Griha Raksha, Bharat Sookshma Udyam Suraksha, and Bharat Laghu Udyam Suraksha for covering fire and allied perils.

30.2 The Authority noted the agenda item.

31. Engaging Ms. K. Nitya Kalyani to write the commemorative volume on completion of 20 years of IRDAI

31.1 While Insurance Regulatory Authority (IRA) was formed in 1996, IRDA came into existence in 2000. To capture the history of IRDAI a commemorative volume was

proposed for release around the foundation day of IRDAI. It was submitted that there would be requirement of an expert having domain knowledge and good writing skills to bring out the volume. After ascertaining that Ms. K. Nitya Kalyani, who was previously the editor of IRDAI Journal and presently, a Business Journalist, has written the Coffee Table Books for New India Assurance Company Ltd. and GIC Re, the Purchase Committee, has recommended in its meetings dated 10.03.2021 and 11.03.2021 to engage Ms. K. Nitya Kalyani to write the IRDAI Commemorative Volume for a remuneration of Rs. 8 lakh plus applicable taxes.

31.2 The Authority approved the agenda item.

32. Creation of Department of Economic and Policy Analysis and Research

32.1 It was submitted that in the 110th meeting of the Authority held on 14th October 2020, it was suggested to form a separate Economic Analysis and Research and Development wing in IRDAI for various activities i.e., (i) preparation of analytical notes on a periodical basis on macro-economic issues impacting the insurance sector. (ii) to take up research studies based on inputs from line departments on various issues of importance to the insurance sector. (iii) to identify issues of dynamic importance for the insurance industry on an on-going basis and in developing policies and amending regulatory framework appropriately.

32.2 After due deliberations, the Authority approved the agenda item to create a separate Department of Economic & Policy Analysis and Research with 3 officers on flexible scales to be taken on deputation or fixed term contract or internal arrangement.

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

CHAIRMAN