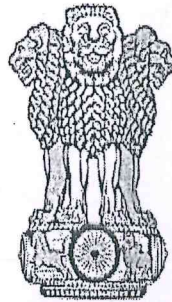


COMMITTEE ON SUBORDINATE LEGISLATION  
(2019-2020)

(SEVENTEENTH LOK SABHA)

SIXTH REPORT

THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA (ASSETS,  
LIABILITIES AND SOLVENCY MARGIN OF GENERAL INSURANCE BUSINESS)  
REGULATIONS, 2016



सत्यमेव जयते

LOK SABHA SECRETARIAT  
NEW DELHI  
September, 2020/Asvina, 1942 (Saka)

**COMMITTEE ON SUBORDINATE LEGISLATION**

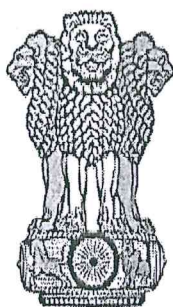
**(2019-2020)**

**(SEVENTEENTH LOK SABHA)**

**SIXTH REPORT**

**THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA (ASSETS,  
LIABILITIES AND SOLVENCY MARGIN OF GENERAL INSURANCE BUSINESS)  
REGULATIONS, 2016**

**(PRESENTED TO LOK SABHA ON 22.09.2020)**



**सत्यमेव जयते**

**LOK SABHA SECRETARIAT**

**NEW DELHI**

**September, 2020/Asvina, 1942 (Saka)**

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**MEMBERS OF THE COMMITTEE ON SUBORDINATE LEGISLATION**  
**(2019-2020)**

Shri Raghurama Krishnaraju Kanumuru

Chairperson

**Members**

2. Prof. S. P. Singh Baghel
3. Shri Ajay Bhatt
4. Shri Jyotirmay Singh Mahato
5. Shri Pinaki Misra
6. Shri Chandeshwar Prasad
7. Shri Suresh Pujari
8. Shri A. Raja
9. Shri Nama Nageshwar Rao
10. Shri N. Uttam Kumar Reddy
11. Shri Sanjay Seth
12. Shri Mahendra Singh Solanky
13. Shri Su Thirunavukkarasar
14. Shri B. Manickam Tagore
15. Shri Ram Kripal Yadav

**SECRETARIAT**

- |    |                      |   |                     |
|----|----------------------|---|---------------------|
| 1. | Shri R.C Tiwari      | - | Joint Secretary     |
| 2. | Shri T.S.Rangarajan  | - | Director            |
| 3. | Smt. Jagriti Tewatia | - | Additional Director |
| 4. | Smt. Vidya Mohan     | - | Under Secretary     |

(iii)

## INTRODUCTION

I, the Chairperson, Committee on Subordinate Legislation having been authorised by the Committee to submit the report on their behalf, present this Sixth Report.

2. The matters covered by this Report were considered by the Committee on Subordinate Legislation at their sitting held on 7.9.2020.
3. The Committee considered and adopted this Report at their sitting held on 21.9.2020
4. A copy of the Gazette Notification relevant to this Report is included in Appendix-I of the Report.
5. For facility of reference and convenience, observations/recommendations of the Committee have been printed in thick type in the body of the Report and have also been reproduced in Appendix-II of the Report.
6. Extracts from Minutes of the Fourteenth sitting of the Committee (2019-20) held on 7.9.2020 and Extracts from Minutes of the Fifteenth Sitting of the Committee (2019-20) held on 21.9.2020 relevant to this Report are included in Appendix-III of the Report.

New Delhi;  
September, 2020  
Asvina , 1942 (Saka)

**RAGHURAMA KRISHNARAJU KANUMURU**  
Chairperson,  
Committee on Subordinate Legislation

## REPORT

The Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016 (Notification No. IRDAI/Reg/7/119/2016).

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The Insurance Regulatory and Development Authority of India (IRDAI) published the Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016 in the Gazette of India, Extraordinary, Part-III, Section 4 dated 09.05.2016 (Appendix-I). The Regulations were scrutinized in accordance with laid down norms and various recommendations made by the Committee on Subordinate Legislation. On scrutiny of the aforesaid Regulations, following infirmities were noticed and the same were forwarded to the Ministry of Finance (Department of Financial Services) to furnish their clarifications:

- (i) The Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016 were published in Extraordinary Gazette of India after a delay of one month; and
- (ii) Absence of relevant Provision applicable for recording of reasons in writing before asking the Appointed Actuary applicable to make a personal visit to the office of the Authority to elicit from such person any further information (Regulation 9).

In addition to the above it was also noted that the Regulations have been given retrospective effect. The above issues have been dealt in detail in the succeeding paras.

### **A DELAY IN PUBLICATION OF REGULATIONS**

1.2. With respect to (i) above i.e. regarding delay in publication of the said Regulations in the Extraordinary Gazette of India, after a delay of one month, the Ministry of Finance (Department of Financial Services) vide their OM dated 3 May, 2019 have submitted that IRDAI has informed as follows:

- "(i) the date of notification is 07.04.2016 while date of publication is 09.05.2016. The notification was published in the Gazette of India,

Extraordinary, after the payment made by IRDAI is received by the Controller of Publication.

- (ii) the advance payment was made by IRDAI on 06.04.2016 for publication of the said Regulations. Subsequently, IRDAI was in receipt of information that the rates for publication of Advertisements/Notices in the Gazette of India had been revised. Accordingly, payment of difference amount was made by IRDAI. The acknowledgement (stamp and initials) of receipt of the same was given by Department of Publication on 06.05.2016 and the said Regulations were published in Extraordinary Gazette of India on 09.05.2016."

1.3. The Committee note that Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016 which ought to have been notified in the Extraordinary Gazette on the same day viz the date of the notification i.e. 07.04.2016, but were finally published on 09.05.2016 thereby causing a delay of one month. The Committee further note that the matters which are certified to be fit for publication in the Extraordinary Gazette, which is a time bound publication, are of urgent nature and such sensitive notifications or Statutory orders of utmost public importance, especially those involving financial implications, should be printed on the same day, on which it is sent for publication. The instant case is related to IRDAI, which involves financial implications. Thus, utmost care and caution should have been taken to ensure timely publication of the Regulations. The Committee however, note with concern that the Ministry of Finance (Department of Financial Services) who should have taken note of this lapse have simply forwarded the clarifications as furnished to them by the IRDAI, which reflects the casual approach of the Ministry towards final publication of the important legislation. The Committee further note that the delay of one month has been caused by IRDAI merely to pay the difference of the enhanced amount of the rates revised for publication of Advertisements/Notices in the Gazette of India, by them. The Committee, therefore, I to strongly deplore the casual approach and lack of awareness in matters of publication of statutory orders, that too of urgent nature, which could have been avoided had the

Ministry been more vigilant and prompt in circulation of information pertaining to revision of rates for publication of notifications to all the Departments/agencies etc. under their administrative control. The Committee perceive that there is no structured monitoring mechanism existing in the Ministry to follow-up such matters. The Committee are of the firm opinion that the Ministry cannot absolve themselves from their responsibility of getting timely publication of the Regulations. The Committee therefore, urge the Ministry of Finance (Department of Financial Services) to keep themselves and all the concerned Departments abreast of the updates and the procedures of handling of important notifications and streamline the same so that such lapses do not recur in future.

**B INCORPORATION OF MODE OF COMMUNICATION OF RECORDING OF REASONS IN WRITING IN THE REGULATIONS**

Regulation 9 regarding PERSONAL VISIT OF APPOINTED ACTUARY TO THE AUTHORITY reads as follows:

"The Authority may, if considered necessary and expedient, ask the Appointed Actuary to make a personal visit to the office of the Authority to elicit from such person any further information."

1.4 During scrutiny of the Regulations, it was observed that Regulations does not elaborate the situation/circumstances under which the appointed Actuary can be asked to make personal visit to the office of the Authority, statutory status of such summons, provision for recording of reasons in writing before asking a person to appear in person before the Authority and action to be taken if the person fails to appear in person etc. On being pointed out, the Ministry of Finance (Department of Financial Services) vide their OM dated 13.05.2019 furnished the detailed point-wise reply which is appended as Annexure 'A'. In response to point pertaining to provision for recording of reasons in writing, the Ministry submitted as under:

"A written communication usually sent through email from the officer not below the rank of Deputy General Manager. The subject matter and persons to accompany Appointed Actuary are also specified in the email. The agenda of the meeting and the initial observations of valuation report on which the discussion



would take place are also communicated in advance. This procedure has due approval from Competent Authority."

Incorporating these administrative procedures in the Regulations may jeopardize the administrative flexibility and evolution based on the changing requirements. As this is part of on-going monitoring process stifling them with the regulations may create administrative difficulty on off-site monitoring process."

1.5 The Committee note that Regulation 9 of the Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016 makes provision for the Authority to ask the appointed Actuary to make a personal visit to the office of the Authority to elicit further information if considered necessary and expedient by the Authority. The Committee observe that the Regulation does not elaborate the circumstances under which the appointed Actuary can be asked to make a personal visit to the Office of the Authority enforcement process of the same and the statutory status of such visits and absence of provision of recording of reasons in writing before asking the Actuary to appear in person before the Authority. The Ministry of Finance (Department of Financial Services) who were asked to clarify the issues have clarified that, the spirit of the Regulation is to expedite the off-site examination process of the valuation returns and bridge the gaps between the Appointed Actuary and the reviewer at the office of IRDAI in understanding complex areas of the returns and in the last three years it has been observed that the examination process was concluded expeditiously and in a time bound manner with this process. The Ministry also submitted that, the specific circumstances under which the Appointed Actuary can be asked to visit the Office of the Authority cannot be envisaged in advance. Thus the Regulation uses the words 'expedient' and 'to elicit' from such person any further information, ' which reveals that the spirit of the Regulations is to expedite the review of return process and receiving further information in lieu of sending to and fro queries for understanding various technical part of the valuation returns. The objective is not for charging Appointed Actuary for any violation. The extant Regulation is part of reviewing returns hence no enforcement process was incorporated. However,

administrative procedures as per the internal rules are duly followed. The Committee also note that, before asking an appointed Actuary to appear in person a written communication is usually sent through e-mail from the Officer not below the rank of Deputy General Manager. The subject matter and persons to accompany Appointed Actuary are also specified in the email. The agenda of the meeting and the initial observations of valuation report on which the discussion would take place are also communicated in advance.

The Committee while agreeing with Ministry's submissions are of the view that since the IRDAI is following the administrative procedure as per the internal rules and is communicating through e-mail to the Appointed Actuary the agenda of the meeting and the initial observations of valuation report on which the discussion would take place etc. in advance, the same can be incorporated in Regulation 9 for the sake of clarity and transparency. The Committee are of the opinion that by doing so, it won't jeopardize the administrative flexibility and evolution based on the changing requirements, as being claimed by the Ministry in their reply. Rather, this would make the rules more transparent and self contained which would leave no scope of the same being interpreted differently by different persons and causing any undue harassment to the Appointed Actuary by making him visit Authority for petty issues which can be resolved otherwise by using other means of communications. The Committee therefore, desire that the Ministry may incorporate in the Regulation for the sake of clarity and transparency that, the Appointed Actuary will be intimated well in advance by sending an email from officer not below the rank of DGM about the reasons, while asking him for his personal visit to the Authority.

#### **C GIVING OF RETROSPECTIVE EFFECT TO THE REGULATIONS**

1.6. In the commencement clause of the Regulations dated 7<sup>th</sup> April, 2016 it is mentioned that the Regulations shall come into effect from 1<sup>st</sup> April, 2016. However, no Explanatory Memorandum was appended in the Regulation explaining the reasons for giving the same retrospective effect.

1.7. The Committee note that the Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016 dated 07.04.2016 which has been published in Part III Section 4 of Extraordinary Gazette dated May 9, 2016 has been brought into force retrospectively i.e. from 1st April 2016 but it is not accompanied with the usual 'Explanatory Memorandum' stating there in the reasons for such retrospection and also to certify that no one would be adversely affected thereby. The Committee have time and again recommended that, all "Orders" should be published before the date of their enforcement or they should be enforced from the date of their publication. However, if any, 'Order' have to be given retrospective effect, the retrospection having otherwise legal validity, a clarification is required to be given, either by way of an explanation in the 'Orders' or in form of foot note to the relevant 'Orders' to the effect that no one will be adversely affected as a result of retrospective effect being given to such 'Orders'. Even in cases where the Government has the power to give retrospective effect to subordinate legislation, such powers, should be exercised only in unavoidable circumstances, and the rules/regulations framed thereunder should in each case be accompanied by an explanatory note or memorandum affirming that no one was likely to be adversely affected as a result of retrospective effect given thereto. The Committee desire that the recommendation made by the Committee as elaborated above, in this regard should be adhered to by the Ministry scrupulously. The Committee, therefore, recommend that an 'Explanatory Memorandum' may be appended to the Regulations, and the Committee may be apprised of the action taken in this regard.

New Delhi;  
September, 2020  
Bhadrapada , 1941 (Saka)

RAGHURAMA KRISHNARAJU KANUMURU  
Chairperson,  
Committee on Subordinate Legislation

Query (i). The Regulation does not indicate the circumstances under which the Appointed Actuary can be asked to appear before the Authority.

Reply: The spirit of the Regulation is to expedite the off-site examination process of the valuation returns and bridge the gaps between the Appointed Actuary and the reviewer at the office of IRDAI in understanding complex areas of the returns. It has been observed during the last three years that the examination process was concluded expeditiously and time bound manner with this process. This may be appreciated that insurance being a liability based business, timely review of Actuarial valuation of liability is extremely important to ensure solvency of the company and protection of policyholders' interest. Actuarial Science is highly technical and abstract in nature. It involves a lot of statistical computations and professional judgments. Therefore, the returns submitted by the Actuaries may have many subjective issues that need to be clarified conveniently through face to face professional discussion in lieu of repeated to and fro written communications. This was developed to avoid numerous queries to the Appointed Actuaries due to subjective nature of the science, that used to create unproductive administrative hurdle both for IRDAI and Insurers.

Para 9.4.4 of Insurance Core Principles 9 issued by International Association of Insurance Supervisors states that in setting the requirements, the supervisor should strike a balance between the need for information for supervisory purposes and the administrative burden it puts on insurers. The above referred Regulation addresses this requirement as IRDAI is also part of Association.

At the time of framing the Regulations it was decided that the professional discussion between the Actuaries at IRDAI and Appointed Actuaries may be formalized with the above referred objective in order to make such communication process transparent and legitimate.

The specific circumstances under which the Appointed Actuary can be asked to visit the office of the Authority cannot be envisaged in advance. The Regulation uses the words "expedient" and "to elicit from such person any further information", which reveals that the spirit of the Regulations is to expedite the review of return process and receiving further information in lieu of sending repeated to and fro queries for understanding various technical part of the valuation returns. Therefore, need for such further face to face discussion depends on outcome of the offsite review of the actuarial valuation returns, which cannot be objectively envisaged.

Query (ii). Procedure to be followed for enforcement for such summons has not been elaborated in the Regulation.

Reply: As stated above, the objective of asking the Appointed Actuary for personal visit is to expedite the review process and to elicit further information with respect to the technical returns and this is a kind of professional discussion amongst the Actuaries / Persons engaged in Actuarial profession for greater understanding of the returns as a part of review process. The objective is not for charging Appointed Actuary for any violation. The Regulation does not provide for summoning of actuaries nor does it describe the procedures to be for enforcement of summons. Therefore, the word "Summon" is unwarranted.

The extant Regulation is part of reviewing returns hence no enforcement process was incorporated. However, administrative procedures as per the internal rules are duly followed. It is always ensured that such communication should not go from the rank below Deputy General Manager.

Query (iii). What action would be taken if such person fails to appear before the Authority on being asked to appear before the Authority.

Reply: The response to this query is already addressed in the responses to the previous two queries apparently. As the objective of the Regulations is not in the form of hearing for impugned allegation and more of a nature of meeting between two teams of professionals, it is arranged with mutual consent. Since the date of implementation of the IRDAI(ALSM) Regulations, no such incidence has happened that the Appointed Actuary failed to attend the meeting. The meetings are rearranged in case of unavoidable exigencies - such as if the meeting scheduled coincides with Board meeting of the insurer. If an Appointed Actuary deliberately evades such meeting, it may be treated more of a professional misconduct. As a result, the said Regulation did not specify any Regulatory action against the Appointed Actuary, as most of the profession related issues are addressed in IRDAI (Appointed Actuary) Regulations, 2017. Framing additional Regulatory action under this Regulation may prejudice the other Regulation.

Query (iv). Is there any provision of recording of reasons in writing before asking a person to appear in person.

Reply: A written communication usually sent through email from the officer not below the rank of Deputy General Manager. The subject matter and persons to accompany Appointed Actuary are also specified in the email. The agenda of the meeting and the initial observations of valuation report on which the discussion would take place are also communicated in advance. This procedure has due approval from Competent Authority.

Incorporating these administrative procedures in the Regulations may jeopardize the administrative flexibility and evolution based on the changing requirements. As this is part of on-going monitoring process stifling them with the regulations may create administrative difficulty on off-site monitoring process.

Query (v). Statutory status of such summons.

Reply: The Appointed Actuary is an extended eye and ear of the Regulator. This is specified in Regulation 9(xiv) of IRDAI (Appointed Actuary) Regulations, 2017. The Regulation states that the duties and obligation of Appointed Actuary shall include informing the Authority in writing of his or her opinion, within a reasonable time whether the insurer has contravened the Act or any other Acts. Moreover, Regulations 9(vii) of the same Regulation also states that the obligation of the Appointed Actuary is to comply with the Authority's directions from time to time. Therefore, the Authority exercises sufficient power of calling Appointed Actuary for discussion over the valuation returns submitted by him/her.

Under Section 14((2)(h) of IRDAI Act, 1999, the Authority has the power of conducting enquiries and investigations i.e. the work of inquiring into something thoroughly and systematically.

NOTIFICATION

Hyderabad, the 7th April, 2016

**Insurance Regulatory and Development Authority of India  
(Assets, Liabilities, and Solvency Margin of General Insurance Business) Regulations, 2016**

**F. No. IRDAI/Reg/7/119/2016-** In exercise of the powers conferred by clauses (y), (z), (za) and (zab) of sub-section (2) of section 114A read with Sections 64V and 64VA of the Insurance Act, 1938, (4 of 1938) and section 26 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999), the Authority, in consultation with the Insurance Advisory Committee, hereby makes the following regulations, namely:-

**1. SHORT TITLE AND COMMENCEMENT**

- (1) These regulations may be called the Insurance Regulatory and Development Authority of India (Assets, Liabilities, and Solvency Margin of General Insurance business) Regulations, 2016.
- (2) These Regulations shall come into effect from 1<sup>st</sup> April, 2016.

**2. DEFINITIONS**

(1) In these regulations, unless the context otherwise requires

- (a) "Act" means the Insurance Act 1938 (4 of 1938) ;
- (b) "Allocated Loss Adjustment Expenses (ALAE)" are claim-related expenses that are directly attributable to a specific claim;
- (c) "Authority" means the Insurance Regulatory and Development Authority of India established under sub-section (1) of section 3 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999);
- (d) "Claim Reserves" means the reserves in respect of the claims which have already occurred and determined as the aggregate of outstanding claim reserves and incurred but not reported claim reserves.
- (e) "General Insurance Business" includes health insurance business and general insurance business transacted by general insurers and health insurance business transacted by standalone health insurers.
- (f) "General insurers" means all the insurers transacting general insurance business including health insurance business and stand-alone health insurers transacting health insurance business.
- (g) "Incurred But Not Enough Reported Reserves (IBNER)" means the reserves reflecting the expected changes in the estimates of reported claims as on the accounting date;
- (h) "Incurred But Not Reported Claim Reserves (IBNR)" includes IBNER, estimate for reopened claims, provision for incurred but not reported claims, provision for claims in transit as on the accounting date and ALAE;
- (i) "Outstanding Claim Reserves (OS Reserves)" means the provision made in respect of all outstanding reported claims as on the accounting date. OS Reserves include ALAE;
- (j) "Premium Deficiency Reserve (PDR)" means the reserve held in excess of the unearned premium reserve, which allows for any expectation that the unearned premium reserve will be insufficient to cover the cost of claims and related expenses incurred during the period of unexpired risk;

- (k) "Unearned Premium Reserve (UPR)" means an amount representing that part of the premium written which is attributable and to be allocated to the succeeding accounting periods;
- (l) "Unexpired Risk Reserves" means the reserves in respect of the liabilities for unexpired risks and determined as the aggregate of Unearned Premium Reserve and Premium Deficiency Reserve.

- (2) All words and expressions used herein and not defined but defined in the Insurance Act 1938 (4 of 1938), or in the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999), or in any Rules or Regulations made there under, shall have the meanings respectively assigned to them in those Acts or Rules or Regulations.

### 3. APPLICABILITY

These regulations shall be applicable to all the general insurers transacting general insurance business.

### 4. ADMISSIBILITY OF ASSETS FOR THE PURPOSE OF CALCULATION OF SOLVENCY MARGIN

Every general insurer shall prepare a statement of admissible assets in FORM IRDAI-GI-TA in accordance with Schedule I.

### 5. DETERMINATION OF AMOUNT OF LIABILITIES

Every general insurer shall prepare a statement of the amount of liabilities in FORM IRDAI-GI-TR in accordance with Schedule II.

### 6. DETERMINATION OF SOLVENCY MARGIN

Every General insurer shall prepare a statement of solvency margin in FORM IRDAI-GI-SM in accordance with Schedule III.

### 7. BUSINESS OUTSIDE INDIA:

- (1) Where the general insurer transacts general insurance business in a country outside India, and submits statements or returns or any such particulars to the host regulator of that country, the insurer shall enclose a copy of the same along with the Forms specified in accordance with these Regulations and as stipulated by the Authority from time to time.

**Provided that** if Appointed Actuary is of the opinion that the liability and solvency norms outside India, where the insurer transacts business, results in lower liability and/or solvency requirement as compared to the liability and solvency norms existing in India, then such person shall require the insurer to set aside additional reserves over and above the reserves shown in the statements or returns or any such particulars submitted to the host regulator of a country outside India so as to comply with the liability and solvency norms existing in India.

### 8. FURNISHING OF FORMS:

- (1) The Forms, namely, FORM IRDAI-GI-TA, FORM IRDAI-GI-TR and FORM IRDAI-GI-SM shall be furnished separately for General insurance Business within India and Total Business transacted by the general insurer.
- (2) These Forms shall be furnished to the Authority, within three months from the end of the period to which they refer to or within thirty days from the date of adoption of accounts by the Board of the insurer, whichever is earlier, along with any other reports as may be stipulated by the Authority from time to time.

### 9. PERSONAL VISIT OF APPOINTED ACTUARY TO THE AUTHORITY:

The Authority may, if considered necessary and expedient, ask the Appointed Actuary to make a personal visit to the office of the Authority to elicit from such person any further information.

### 10. REPEAL AND SAVINGS

- (1) On and from the commencement of these regulations, the Insurance Regulatory and Development Authority (Assets, Liabilities and Solvency Margins of Insurers) Regulations, 2000 shall stand superseded.
- (2) However, in respect of anything done or omitted to be done prior to the commencement of these regulations, they shall continue to be governed by Insurance Regulatory and Development Authority (Assets, Liabilities and Solvency Margins of Insurers) Regulations, 2000.

### 11. POWER OF THE AUTHORITY TO ISSUE CLARIFICATIONS ETC.

In order to remove any doubts or the difficulties that may arise in the application or interpretation of any of the provisions of these regulations, the Chairperson of the Authority may issue appropriate clarifications or guidelines as deemed necessary.

**SCHEDULE I**  
(See Regulation 4)

**1. VALUATION OF ASSETS**

(1) The following assets should be placed with value zero:

- (a) Agents' and Intermediaries' balances and outstanding premiums in India, to the extent they are not realized within a period of thirty days;
- (b) Premiums receivables relating to State/Central government sponsored schemes, to the extent they are not realized within a period of 180 days;
- (c) Agents' and Intermediaries' balances and outstanding premiums outside India, to the extent they are not realizable ;
- (d) Sundry debts, to the extent they are not realizable;
- (e) Advances and receivables of an unrealizable character;
- (f) Furniture, fixtures, dead stock and stationery;
- (g) Deferred expenses;
- (h) Debit balance of Profit and loss appropriation account balance and any fictitious assets other than pre-paid expenses;
- (i) Co-insurer's balances outstanding for more than ninety days;
- (j) Balances of Indian Reinsurers and Foreign Reinsurers having Branches in India outstanding for more than 365 days;
- (k) Other Reinsurer's balances outstanding for more than 180 days;
- (l) Leasehold improvements
- (m) Service Tax Unutilized Credit outstanding for more than ninety days;
- (n) Any other assets, which are considered inadmissible under Section 64V of the Insurance Act, 1938.

(2) All other assets of a general insurer have to be valued in accordance with the Regulations and other instructions issued by the Authority regarding preparation of financial statements, auditor's report, other forms of capital and investments, and any other Regulations as applicable from time to time.

**2. STATEMENT OF ADMISSIBLE ASSETS**

Every general insurer shall prepare a statement of admissible assets in form IRDAI-GI-TA

**FORM IRDAI-GI-TA**  
**STATEMENT OF ADMISSIBLE ASSETS: << Name of General Insurer>>**  
**As at 31<sup>st</sup> March 20XX**

Name of Insurer:  
Registration Number:  
Date of registration:  
Classification: Business within India/ Total Business

(All amounts in Rupees of Lakhs)

Particulars	Policyholders A/C	Shareholders A/C	Total
<b>Investments</b>			
Investments Shareholder' SCH 8			
Policyholders' SCH 8A			
<b>Total Investments as per BS ----- (A)</b>			
Inadmissible investment assets as per Clause (1) of Schedule I --- ----- (B)			



<b>Fixed assets</b>			
Fixed assets as per BS ----- (C)			
Inadmissible Fixed assets as per Clause (1) of Schedule - I ----- ----- (D)			
<b>Current Assets</b>			
Cash & Bank Balances as per BS ----- (E)			
Advances and Other assets as per BS ----- (F)			
<b>Total Current Assets as per BS ----- (G) = (E) + (F)</b>			
Inadmissible Current assets as per Clause (1) of Schedule - I ----- ----- (H)			
<b>Loans</b>			
Loans as per BS ----- (I)			
<b>Fair Value Change Account subject to minimum of zero----(J)</b>			
<b>Total Assets as per BS -----(K) = (A) + (C) + (G) + (I)(Excluding current liabilities and provisions)</b>			
<b>Total Inadmissible assets ----- (L) = (B) + (D) + (H) + (J)</b>			
<b>Total Admissible assets for Solvency ---- (K) - (L) (Excluding current liabilities and provisions)</b>			

We certify that the statement has been prepared in accordance with Schedule I.

Name and Signature of Appointed Actuary

Name and Signature of Statutory Auditor

Name and Signature of Chief Executive Officer

Place

Date

#### NOTES

The statement shall show the value of the above-mentioned categories of assets in accordance with Clause (1) in Schedule I.

#### Schedule II (See Regulation 5)

#### DETERMINATION OF AMOUNT OF LIABILITIES

##### 1. DETERMINATION OF AMOUNT OF LIABILITIES

- (1) The amount of liabilities shall be determined on the Valuation Date separately for each line of business as listed in the FORM IRDAI-GI-SM and in accordance with this regulation
- (2) The amount of liabilities for each line of business shall be determined as the aggregate of Unexpired Risk Reserves as mentioned in clause 2 below and Claims Reserves as mentioned in clause 3 below.

##### 2. PREMIUM RESERVES

###### (1) Unearned Premium Reserve (UPR):

UPR will be estimated as per the extant provisions and shall be certified by the Chief Financial Officer and the Statutory Auditor

###### (2) Premium Deficiency Reserve (PDR):

The PDR shall be calculated using sound actuarial principles. Though the PDR shall be maintained at the insurer level, PDR on segmental basis would be monitored by the Authority for verifying the sustainability of products and accordingly an appropriate action may be taken by the Authority.

###### (3) Unexpired Risk Reserve (URR):

Unexpired Risk Reserve is defined as sum total of UPR and PDR

**3. CLAIMS RESERVE**

(1) The Claims Reserve shall be determined as the aggregate amount of Outstanding Claims Reserve and Incurred but Not Reported Claims Reserve (IBNR) as described below for the following lines of business:

<u>ITEM NO.</u>	<u>LINE OF BUSINESS</u>
	<b>MOTOR</b>
1	Motor OD-Private car
2	Motor OD-Two Wheeler
3	Motor OD-Commercial Vehicle
4	Motor TP-Private car
5	Motor TP-Two Wheeler
6	Motor TP-Commercial Vehicle (Declined Pool)
7	Motor TP-commercial Vehicle (TP Pool)
8	Motor TP-commercial Vehicle (Other than Pool)
	<b>HEALTH</b>
9	Health Insurance - Individual
10	Health Insurance - Group-Government Schemes
11	Health Insurance - Group-Employer/Employee Schemes
12	Health Insurance - Group-Other Schemes
	<b>PERSONAL ACCIDENT</b>
13	Personal Accident - Individual
14	Personal Accident- Group(Government Schemes)
15	Personal Accident-Group(Others)
16	<b>TRAVEL</b>
17	<b>FIRE</b>
	<b>MARINE</b>
18	Marine Cargo
19	Marine-Other than Marine Cargo
	<b>OTHER MISCELLANEOUS</b>
20	Engineering
21	Aviation
22	Product Liability
23	Liability Insurance
24	Workmen Compensation/Employer's Liability
25	Crop Insurance
26	Weather Insurance
27	Credit Insurance
28	Others

**(2) Outstanding Claims Reserve**

The outstanding claims reserve shall be determined in the following manner:

- Where the amount of outstanding claims of the insurers is known, the amount is to be provided in full;
- Where the amount of outstanding claims can be reasonably estimated according to the insurer, insurer shall follow the 'case by case method' after taking into account the explicit allowance for changes in the settlement pattern or average claim amounts, expenses and inflation;
- For lines of business, where the Appointed Actuary is of the view that the statistical method is most appropriate for the estimation of Outstanding claims, the Appointed Actuary may use the appropriate statistical method of claims reserving instead of following case by case method. In such cases, the claims

material changes in the claims handling practices, their impact on the outstanding claims reserve pattern shall be taken into account and reported.

**(3) Incurred But Not Reported (IBNR) Claims Reserve**

- (a) The incurred but not reported (IBNR) claims reserve shall be determined using actuarial principles and methods detailed in clause 4 below
- (b) The IBNR shall be estimated using appropriate actuarial principles and shall be certified by the Appointed Actuary.
- (c) The Appointed Actuary shall estimate IBNR on both net of reinsurance and gross of reinsurance basis.
- (d) The Appointed Actuary shall estimate the provision for IBNR for each year of occurrence and the figures shall be aggregated to arrive at the total amount to be provided.
- (e) If estimate of IBNR provision for any year of occurrence is negative, the Appointed Actuary shall re-examine the underlying assumptions. Even after re-examination, if the mathematics produces negative value, the Appointed Actuary shall ignore the IBNR provision for that year of occurrence.
- (f) The estimation process shall not discount the estimated future development of paid claims to the current date.

**4. ACTUARIAL METHODS**

- (1) The following Standard Actuarial Methods may be used for the estimation of IBNR reserves:
  - (a) Basic Chain Ladder Method (both on incurred and paid claims)
  - (b) Bornhuetter Ferguson Method (both on incurred and paid claims)
  - (c) Frequency – Severity Method
- (2) The Appointed Actuary shall use more than one method to arrive at an estimate that s/he believes is adequate to meet the future liabilities.
- (3) Appointed Actuary may use methods other than standard actuarial methods of IBNR estimation.
- (4) In his/her annual report submission to the Regulator, Appointed Actuary should provide an explanation of the rationale underlying the selection of a particular method over the other available methods along with the advantages and disadvantages of doing so.
- (5) Where the results of different methods or assumptions differ significantly, an Appointed Actuary must comment on the likely reasons for the differences and explain the basis for the choice of results.

**5. APPLICABILITY TO REINSURANCE**

- (1) This Schedule shall also apply to the valuation of general insurance business in the books of reinsurers.
- (2) As regards the business ceded by insurers, this Schedule shall be applicable to the net sums at risk retained by the insurer.

**6. DETERMINATION OF OTHER LIABILITIES**

The general insurer shall place a proper value in respect of the following items:

- (1) provision for bad and doubtful debts; reserve for dividends declared or recommended, and outstanding dividends in full;
- (2) amount due to insurance companies carrying on insurance business, in full;
- (3) amount due to sundry creditors, in full;
- (4) provision for taxation, in full; and
- (5) foreign exchange reserve

**7. STATEMENT OF LIABILITIES**

- (1) Every general insurer shall prepare a statement of liabilities in FORM IRDA-GI-TR certified by the Appointed Actuary and the Statutory Auditor in accordance with Section 64V of the Act.
- (2) The statement shall be furnished to the Authority along with the returns mentioned in section 15 of the Act.
- (3) The general insurer shall furnish any additional information in accordance with the directions issued by the Authority from time to time.

**FORM IRDAI-GI-TR**  
**Insurance Regulatory and Development Authority of India**  
**(Assets, Liabilities, and Solvency Margin of General Insurance Business) Regulations, 2016**

**TABLE I**  
**STATEMENT OF LIABILITIES: << Name of General Insurer>>**  
**As at 31<sup>st</sup> March 20XX**

Name of Insurer:
Registration Number:
Date of registration:
Classification: Business within India/ Total Business

(All amounts in Rupees of Lakhs)

Reserve	Gross Reserve	Net Reserve
Unearned Premium Reserve (UPR) .... (a)		
Premium Deficiency Reserve (PDR)....(b)		
Unexpired Risk Reserve (URR)....(c)=(a) +(b)		
Outstanding Claim Reserve (other than IBNR reserve)....(d)		
IBNR Reserve.... (e)		
<b>Total Reserves for Technical Liabilities</b> ....(f)=(c)+(d)+(e)		

**Certification**

**(1) Certification from Statutory Auditor:**

I certify that the above statement represents the liabilities of the insurer which have been determined in the manner prescribed in the Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016 and amounts of such liabilities are fair and reasonable. I also further certify that the outstanding claims reserves that are estimated using statistical methods, PDR and IBNR reserves in the statement above have been determined by the Appointed Actuary and his certificate is furnished below.

Qualifications, if any (in regard to the determination of liabilities):

Place:

Date:

Name and Signature of the Statutory Auditor

**(2) Certification from the Appointed Actuary:**

I certify that, I have checked the data to the best of my ability and I am satisfied that the data is consistent, reliable and complete. I also further certify that the outstanding claims reserves that are estimated using statistical methods, PDR and IBNR reserves in the statement above have been determined using actuarial principles and in the manner prescribed in the Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016. These reserves, estimated as on the 31<sup>st</sup> day of March of .....(year of investigation) represent, in my opinion, a fair reflection of the expected future experience.

Qualifications, if any:

Name of the Insurer:

Place:

Date:

Name and Signature of the Appointed Actuary

**(3) Certification by Principal officer:****I certify that**

- (a) Full and accurate particulars of every policy and claim have been furnished to the Appointed Actuary: <name of the actuary> for the purpose of the determination of Technical Reserves as on the 31<sup>st</sup> Day of March of 20XX.
- (b) The data provided to the Appointed Actuary reconciles with the Audited Financials as at 31st Day of March 20XX.
- (c) The Appointed Actuary has been made aware of all the information pertaining to underwriting, claims and reinsurance policies and practices followed by the Insurer

Qualifications, if any:

Name of the Insurer:

Place:

Date:

Name and Signature of the Principal Officer

**(4) Certification from Chief Financial Officer :****I certify that**

The UPR has been determined as per the extant provisions of the Authority.  
Qualifications, if any (in regard to the determination of UPR):

Name of the Insurer:

Place:

Date:

Name and Signature of the Chief Financial Officer

**SCHEDULE III****DETERMINATION OF SOLVENCY MARGIN – GENERAL INSURANCE BUSINESS**

(See Regulation 6)

**1. Interpretation :** In this Schedule,

- (1) "Available Solvency Margin (ASM)" shall be calculated as the excess of value of assets (as furnished in Form IRDAI-GI-TA) over the value of liabilities (as furnished in Form IRDAI-GI-TR) with further adjustments as shown in Table IB of FORM IRDAI-GI-SM.
- (2) "Solvency Ratio" means the ratio of the amount of Available Solvency Margin to the amount of Required Solvency Margin as specified in Table IB
2. Every insurer at all time shall maintain its Available Solvency Margin at a level which is not less than higher of fifty per cent of the amount of minimum capital as stated under Section 6 of the Act and one hundred per cent of Required Solvency Margin failing which the Authority shall act in accordance with sub-section (2) of Section 64VA of the Act.
3. "Control level of Solvency" shall mean the level of solvency margin specified by the Authority in accordance with sub-section (3) of Section 64VA of the Act on the breach of which the Authority shall act in accordance with sub-section (4) of section 64VA of the Act without prejudice to taking any other remedial measures as deemed fit. The control level of solvency is hereby specified as a minimum solvency ratio of 150 %.
4. **Determination of Required Solvency Margin (RSM):** Every general insurer shall determine the Required Solvency Margin, the Available Solvency Margin, and the Solvency Ratio in FORM IRDAI-GI-SM.

**FORM IRDAI-GI-SM**  
**Insurance Regulatory and Development Authority of India**  
**(Assets, Liabilities, and Solvency Margin of General Insurance Business) Regulations, 2016**

**TABLE I**  
**STATEMENT OF SOLVENCY MARGIN: << Name of General Insurer>>**  
**As at 31<sup>st</sup> March 20XX**

Name of Insurer:  
 Registration Number:  
 Date of registration:  
 Classification: Business within India / Total Business

**TABLE IA: REQUIRED SOLVENCY MARGIN BASED ON NET PREMIUM AND NET INCURRED CLAIMS**  
 (All amounts in Rupees of Lakhs)

Item No.	Line of Business	Gross Premiums	Net Premiums	Gross Incurred claims	Net Incurred claims	RSM1	RSM2	RSM	Factor A	Factor B
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
01	Fire								0.5	0.5
02	Marine Cargo								0.6	0.6
03	Marine – Other than Marine Cargo								0.5	0.5
04	Motor								0.75	0.75
05	Engineering								0.5	0.5
06	Aviation								0.5	0.5
07	Liability								0.75	0.75
08	Health								0.75	0.75
09	Miscellaneous								0.7	0.7
	<b>Total</b>									

**NOTES:**

(3) = Gross Written Premium including Inward Reinsurance

(4) = Net Written Premium

(5) = Gross Incurred Claims including impact of Gross IBNR

(6) = Net Incurred Claims including impact of Net IBNR

(3) and (4) are calculated as 'Trailing 12 Months Data'

(5) and (6) are calculated as Maximum of 'Trailing 12 Months Data' and 'Trailing 36 Months Data divided by 3'

(7) RSM 1 in the above table means Required Solvency Margin based on net premiums, and shall be determined as **Twenty Percent (20%)** of the amount which is the higher of the Gross Premiums multiplied by a Factor A as specified in the Table IA and the Net Premiums.

(8) RSM 2 in the above table means Required Solvency Margin based on net incurred claims and shall be determined as **Thirty Percent (30%)** of the amount which is the higher of the Gross Incurred Claims multiplied by a Factor B as specified in the Table above and the Net Incurred Claims.

(9) RSM means Required Solvency Margin and shall be the higher of the amounts of RSM 1 and RSM 2 for each LOB separately.

**TABLE IB: AVAILABLE SOLVENCY MARGIN AND SOLVENCY RATIO**

Name of Insurer:  
 Registration Number:  
 Date of registration:  
 Classification: Business within India / Total Business

(All amounts in Rupees of Lakhs)

(1) ITEM NO.	(2) DESCRIPTION	(3) AMOUNT
(A)	Policyholder's FUNDS	
	Available assets(as per Form IRDAI-GI-TA)	
	Deduct:	
(B)	Current Liabilities as per BS	
(C)	Provisions as per BS	
(D)	Other Liabilities	
(E)	Excess in Policyholder's funds (A)-(B)-(C)-(D)	
	Shareholder's FUNDS	
(F)	Available Assets	
	Deduct:	
(G)	Other Liabilities	
(H)	Excess in Shareholder's funds (F-G)	
(I)	Total ASM (E+H)	
(J)	Total RSM	
(K)	SOLVENCY RATIO (Total ASM/ Total RSM)	

**Certification:**

I \_\_\_\_\_, the Statutory Auditor, hereby certify that the above statements have been prepared in accordance with the Section 64VA of the Insurance Act, 1938, and the amounts mentioned therein are true to the best of my knowledge.

Place

Date:

Name and Signature of the Statutory Auditor

Counter signature by

Principal Officer:

Appointed Actuary

Chief Financial Officer

**NOTES:**

- Item A shall be the amount of the Adjusted Value of Assets in respect of policyholders' funds as mentioned in FORM IRDAI-GI-TA.
- Item B shall be the amount of Total Liabilities as mentioned in FORM IRDAI-GI-TR.
- Item C shall be the amount of other liabilities arising in respect of policyholders' funds and as mentioned in the Balance Sheet
- Item F shall be the amount of the Total Assets in respect of shareholders' funds as mentioned in FORM IRDAI-GI-TA.
- Item G shall be the amount of other liabilities arising in respect of shareholders' funds and as mentioned in the Balance Sheet

T.S. VIJAYAN, Chairman

[ADVT. III /4/Exty./69(161)]

APPENDIX II

(Vide Para 5 of the Introduction of the Report)

SUMMARY OF RECOMMENDATIONS MADE IN THE SIXTH REPORT OF THE  
COMMITTEE ON SUBORDINATE LEGISLATION

(SEVENTEENTH LOK SABHA)

Sl.No.	Reference to Para No. in the Report	Summary of Recommendations
1	1.3	<p>The Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016 (Notification No. IRDAI/Reg/7/119/2016).</p> <p>The Committee note that Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016 which ought to have been notified in the Extraordinary Gazette on the same day viz the date of the notification i.e. 07.04.2016, but were finally published on 09.05.2016 thereby causing a delay of one month. The Committee further note that the matters which are certified to be fit for publication in the Extraordinary Gazette, which is a time bound publication, are of urgent nature and such sensitive notifications or Statutory orders of utmost public importance, especially those involving financial implications, should be printed on the same day, on which it is sent for publication. The instant case is related to IRDAI, which involves financial implications. Thus, utmost care and caution should have been taken to ensure timely publication of the Regulations. The Committee however, note with concern that the Ministry of Finance (Department of Financial Services) who should have taken note of this lapse have simply forwarded the clarifications as furnished to them by the IRDAI, which reflects the casual approach of the Ministry towards final publication of the important legislation. The Committee further note that the delay of one month has been caused by IRDAI merely to pay the difference of the enhanced amount of the rates revised for publication of Advertisements/Notices in the Gazette of</p>



		<p>India, by them. The Committee, therefore, I to strongly deplore the casual approach and lack of awareness in matters of publication of statutory orders, that too of urgent nature, which could have been avoided had the Ministry been more vigilant and prompt in circulation of information pertaining to revision of rates for publication of notifications to all the Departments/agencies etc. under their administrative control. The Committee perceive that there is no structured monitoring mechanism existing in the Ministry to follow-up such matters. The Committee are of the firm opinion that the Ministry cannot absolve themselves from their responsibility of getting timely publication of the Regulations. The Committee therefore, urge the Ministry of Finance (Department of Financial Services) to keep themselves and all the concerned Departments abreast of the updates and the procedures of handling of important notifications and streamline the same so that such lapses do not recur in future.</p> <p>1.5 The Committee note that Regulation 9 of the Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016 makes provision for the Authority to ask the appointed Actuary to make a personal visit to the office of the Authority to elicit further information if considered necessary and expedient by the Authority. The Committee observe that the Regulation does not elaborate the circumstances under which the appointed Actuary can be asked to make a personal visit to the Office of the Authority enforcement process of the same and the statutory status of such visits and absence of provision of recording of reasons in writing before asking the Actuary to appear in person before the Authority. The Ministry of Finance (Department of Financial Services) who were asked to clarify the issues have clarified that, the spirit of the Regulation is to expedite the off-site examination process of the valuation returns and bridge the gaps between the Appointed Actuary and the reviewer at the office of IRDAI in understanding complex areas of the returns and in the last three years it has been observed that the examination process was concluded expeditiously and in a time bound</p>
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manner with this process. The Ministry also submitted that, the specific circumstances under which the Appointed Actuary can be asked to visit the Office of the Authority cannot be envisaged in advance. Thus the Regulation uses the words 'expedient' and 'to elicit' from such person any further information, ' which reveals that the spirit of the Regulations is to expedite the review of return process and receiving further information in lieu of sending to and fro queries for understanding various technical part of the valuation returns. The objective is not for charging Appointed Actuary for any violation. The extant Regulation is part of reviewing returns hence no enforcement process was incorporated. However, administrative procedures as per the internal rules are duly followed. The Committee also note that, before asking an appointed Actuary to appear in person a written communication is usually sent through e-mail from the Officer not below the rank of Deputy General Manager. The subject matter and persons to accompany Appointed Actuary are also specified in the email. The agenda of the meeting and the initial observations of valuation report on which the discussion would take place are also communicated in advance.

The Committee while agreeing with Ministry's submissions are of the view that since the IRDAI is following the administrative procedure as per the internal rules and is communicating through e-mail to the Appointed Actuary the agenda of the meeting and the initial observations of valuation report on which the discussion would take place etc. in advance, the same can be incorporated in Regulation 9 for the sake of clarity and transparency. The Committee are of the opinion that by doing so, it won't jeopardize the administrative flexibility and evolution based on the changing requirements, as being claimed by the Ministry in their reply. Rather, this would make the rules more transparent and self contained which would leave no scope of the same being interpreted differently by different persons and causing any undue harassment to the Appointed Actuary by making him visit Authority for petty issues which can be resolved otherwise by using other means of communications. The Committee therefore, desire that the Ministry may incorporate in the

	<p>1.7</p>	<p>Regulation for the sake of clarity and transparency that, the Appointed Actuary will be intimated well in advance by sending an email from officer not below the rank of DGM about the reasons, while asking him for his personal visit to the Authority.</p> <p>The Committee note that the Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016 dated 07.04.2016 which has been published in Part III Section 4 of Extraordinary Gazette dated May 9, 2016 has been brought into force retrospectively i.e. from 1st April 2016 but it is not accompanied with the usual 'Explanatory Memorandum' stating there in the reasons for such retrospection and also to certify that no one would be adversely affected thereby. The Committee have time and again recommended that, all "Orders" should be published before the date of their enforcement or they should be enforced from the date of their publication. However, if any, 'Order' have to be given retrospective effect, the retrospection having otherwise legal validity, a clarification is required to be given, either by way of an explanation in the 'Orders' or in form of foot note to the relevant 'Orders' to the effect that no one will be adversely affected as a result of retrospective effect being given to such 'Orders'. Even in cases where the Government has the power to give retrospective effect to subordinate legislation, such powers, should be exercised only in unavoidable circumstances, and the rules/regulations framed thereunder should in each case be accompanied by an explanatory note or memorandum affirming that no one was likely to be adversely affected as a result of retrospective effect given thereto. The Committee desire that the recommendation made by the Committee as elaborated above, in this regard should be adhered to by the Ministry scrupulously. The Committee, therefore, recommend that an 'Explanatory Memorandum' may be appended to the Regulations, and the Committee may be apprised of the action taken in this regard.</p>
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## APPENDIX II

(Vide Para 6 of the Introduction of the Report)

### EXTRACTS FROM MINUTES OF THE FOURTEENTH SITTING OF THE COMMITTEE ON SUBORDINATE LEGISLATION (2019-2020)

The fourteenth sitting of the Committee (2019-20) was held on Monday, the 7<sup>th</sup> September, 2020 from 1500 to 1715 hours in Committee Room D, Ground Floor, Parliament House Annexe, New Delhi.

#### PRESENT

1. Shri Raghurama Krishnaraju Kanumuru Chairperson

#### MEMBERS

2. Prof. S. P. Singh Baghel
3. Shri Ajay Bhatt
4. Shri Pinaki Misra
5. Shri Suresh Pujari
6. Shri A.Raja
7. Shri Sanjay Seth

#### SECRETARIAT

1. Shri R. C. Tiwari - Joint Secretary
2. Shri T.S. Rangarajan - Director
3. Shri N.K. Jha - Additional Director
4. Smt. Jagriti Tewatia - Additional Director

#### WITNESSES

(Ministry of Health and Family Welfare)

1. Shri Rajesh Bhushan - Secretary
2. Shri Lav Agarwal - Joint Secretary

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee. The Committee, thereafter took up for consideration the following draft Memoranda:-

(i) XX XX XX XX

(ii) XX XX XX XX

(iii) **Memorandum No. 8:** Draft Memorandum regarding the insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016.

(iv) XX XX XX XX

3. XX XX XX XX

4. The Committee, then considered and adopted Memoranda No. 7,8 and 9 without any modification and also authorised the Chairperson to present the same to the House.

5. XX XX XX XX

6. XX XX XX XX

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9. XX XX XX XX

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11. XX XX XX XX

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XX Omitted portion of the Minutes are not relevant to this Report

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**MINUTES OF THE FIFTEENTH SITTING OF THE COMMITTEE ON SUBORDINATE LEGISLATION  
(2019-2020)**

The fifteenth sitting of the Committee (2019-20) was held on Monday, the 21<sup>st</sup> September, 2020 from 1415 to 1445 hours in Chairperson's Chamber, Room No. 209, Extension Building, Parliament House Annexe, New Delhi.

**PRESENT**

1. Shri Raghurama Krishnaraju Kanumuru Chairperson

**MEMBERS**

2. Prof. S. P. Singh Baghel
3. Shri Ajay Bhatt
4. Shri Suresh Pujari
5. Shri A.Raja
6. Shri Nama Nageshwar Rao
7. Shri Sanjay Seth

**SECRETARIAT**

1. Shri T.S.Rangarajan - Director
2. Shri Nabin Kumar Jha - Additional Director
3. Smt. Jagriti Tewatia - Additional Director

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee. The Committee then considered the following draft Reports:-

(i) XX XX XX XX

(ii) XX XX XX XX

(iii) Draft Sixth Report of the Committee based on the examination of Statutory Orders on the Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016.

(iv) XX XX XX XX

3. After deliberations, the Committee adopted the same without any modification. The Committee also authorized the Chairperson to present the same to the House.

The Committee then adjourned.

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XX Omitted portion of the Minutes are not relevant to this Report