

Exposure Draft

Date: 12.02.2024

Ref. No: IRDAI/ACTL/Reporting_Regulation/2023-24

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA (Actuarial, Finance and Investment Functions of insurers) Regulations, 2024

The IRDAI vide its order dated July 29, 2022 directed the Councils to constitute a Regulation Review Committee (RRC) comprising representatives from all stakeholder groups for the purpose of enhancing ease of doing business and simplifying regulations by moving towards principles based regime with a view to making them more effective.

Further, nine sub-groups drawing representations from various stakeholders were formed. Additionally, industry executives were invited to some of the sub-groups wherever the need for specific domain expertise was deemed necessary.

The RRC recommended Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of insurers) Regulations, 2024 after repealing the following regulations:

1. Insurance Regulatory and Development Authority of India (Actuarial Report and Abstract for Life Insurance Business) Regulations, 2016 and subsequent amendments;
2. Insurance Regulatory and Development Authority (Distributions of Surplus) Regulations, 2002;
3. Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of Life Insurance Business) Regulations, 2016;
4. Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016 and subsequent amendments;
5. Insurance Regulatory and Development Authority of India (Appointed Actuary) Regulations, 2022;
6. Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016;
7. Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 and subsequent amendments;
8. Insurance Regulatory and Development Authority of India (Inspection and Fee for Supply of Copies of Returns) Regulations, 2015;
9. Insurance Regulatory and Development Authority of India (Loans or Temporary Advances to Full Time Employees of the Insurers) Regulations, 2016.

After considering the recommendations of the RRC and also keeping the interest of the policyholders, the draft on Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of insurers) Regulations, 2024 is prepared and annexed herewith.

The main objective of the proposed draft regulations is to ensure that sound and responsive management practices are in place for effective discharge of actuarial, finance and investment functions and analysis, covering the areas including but not limited to the valuation of assets and liabilities, regulatory reporting, bonus distribution, asset-liability management, solvency, investment and risk management. It will also enable insurers to promote ease of doing business, to improve insurance penetration and to enhance the protection of policyholders' interest.

All the stakeholders are requested to forward their comments / suggestions, if any, on the proposed regulations (Annexure-A) in the attached format (Annexure- B) on or before 5:00 PM on 4th March, 2024 to actuarial-policy@irdai.gov.in with a copy to lekshnipillai@irdai.gov.in and anson@irdai.gov.in

EXPOSURE DRAFT

**INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA (Actuarial,
Finance and Investment Functions of insurers) Regulations, 2024**

NOTIFICATION

Hyderabad, [*insert date*]

F. No. IRDAI/Reg/[●]/[●]/ [●].—In exercise of the powers conferred by clauses (g), (y), (z), (za), (zd) and (zab) of sub-section (2) of section 114A read with Sections 13, 20, 27, 27A, 27B, 27C, 27D, 28, 29(3)(a), 34(1), 64V, and 64VA of the Insurance Act, 1938, (4 of 1938) and section 14 and 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, applicability and commencement:

- (1) These Regulations may be called the Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of insurers) Regulations, 2024.
- (2) These Regulations shall come into force from the date of their publication in the Official Gazette or 1st April, 2024 whichever is later.
- (3) These Regulations are applicable to all insurers including those engaged exclusively in reinsurance business, unless otherwise specified.
- (4) These Regulations shall be reviewed once in every 3 (three) years from the date of the publication, unless a review, repeal or amendment is warranted earlier.

2. Objectives: The key objectives of these Regulations are to ensure that:

- (1) sound and responsive management practices are in place for effective discharge of actuarial, finance and investment functions and analysis, covering the areas including but not limited to the valuation of assets and liabilities, regulatory reporting, bonus distribution, asset-liability management, solvency, investment and risk management;
- (2) regulatory returns are prepared and reported in accordance with applicable standards, principles and policies to provide a true and fair view of state of affairs of the insurer;
- (3) policyholders' interests are protected and
- (4) ease of doing business is facilitated.

3. Definitions

- (1) In these Regulations, unless the context otherwise requires-

- (i) “Act” means the Insurance Act, 1938 (4 of 1938);
- (ii) “Accounting Standard” (AS) means Indian Accounting Standard (Ind AS) as issued by the Institute of Chartered Accountants of India;
- (iii) “Actuarial Practice Standards” means the standards of practice and guidance notes issued by the Institute of Actuaries of India;
- (iv) “Actuary” means an actuary as defined in section 2(1) of Insurance Act, 1938;
- (v) “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);
- (vi) “Available Solvency Margin” means
 - (a) In case of Life insurer, the excess of value of assets subject to admissibility criteria specified under these regulations, available in policyholders’ and shareholders’ funds over and above the value of mathematical reserves and other liabilities of policyholders’ and shareholders’ funds;
 - (b) In case of General insurer or Health insurer, the excess of value of assets subject to admissibility criteria specified under these regulations, available in policyholders’ and shareholders’ funds over and above the technical liabilities and other liabilities of policyholders’ and shareholders’ funds;
 - (c) In case of a reinsurer, the excess of value of assets subject to admissibility criteria specified under these regulations, available in policyholders’ and shareholders’ funds over and above the Mathematical reserves, technical liabilities and other liabilities of policyholders’ and shareholders’ funds;
- (vii) “Competent Authority” means Chairperson or Whole-Time Member or Committee of the Whole-Time Members or Officer (s) of the Authority, as may be determined by the Chairperson.
- (viii) “General Insurer” means an insurer transacting general insurance business as defined in the Act;
- (ix) “Health Insurer” means an insurer exclusively carrying on health insurance business as defined in the Act;
- (x) “Life Insurer” means an insurer carrying on life insurance business as defined in the Act;
- (xi) “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 expenses incurred during the period of unexpired risk;

- (xii) "Reinsurer" means an insurer carrying on exclusively the reinsurance business as defined in the Act;
 - (xiii) "Mathematical reserves" means the provisions determined in accordance with these regulations to cover liabilities (excluding liabilities which have fallen due and liabilities arising from deposit back arrangement in relation to any policy whereby an amount is deposited by re-insurer with the cedant) arising under or in connection with policies or contracts of life (Re)insurance business which includes specific provision for adverse deviations of all the bases including but not limited to mortality and morbidity rates; lapse rates, interest rates and expenses; and any explicit provision made in the valuation of liabilities;
 - (xiv) "Technical Liabilities" means the provisions determined in accordance with these regulations to cover liabilities arising under or in connection with policies or contracts of General (Re)insurance business or Health (Re)insurance Business which include specific provision for adverse deviations of all the bases of actuarial valuation.
 - (xv) "Required Solvency Margin" means the amount arrived in the manner as specified under Part III or Part IV or Part V of Schedule-I of these regulations as applicable subject to a minimum of fifty per cent of the amount of minimum capital as stated under section 6 of the Insurance Act, 1938;
 - (xvi) "Solvency Ratio" means the ratio of the amount of Available Solvency Margin to the amount of Required Solvency Margin;
 - (xvii) "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;
- (2) All words and expressions used herein and not defined in these Regulations but defined in the Insurance Act, 1938 (4 of 1938), or the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999) or any Rules or Regulations made thereunder shall have the meanings respectively assigned to them in those Acts or Rules or Regulations.

4. Principles governing the Actuarial, Finance and Investment Functions of Insurers

- (1) Mathematical Reserves or Technical liabilities, as the case may be, are based on sound actuarial principles;
- (2) Solvency margin of insurer is ensured at least at the control level at all times;
- (3) Financial statements reflect true & fair picture of the financial condition of the insurer;
- (4) Funds are invested such that the policyholders' liabilities are met as and when due;
- (5) Suitable and adequate resources are available to carry out actuarial, finance and investment functions.

5. Board approved policies of the insurer

Insurers shall have in place Board approved policies governing areas of actuarial, finance and investment functions, such as bonus distribution philosophy, asset-liability management, Investment and Risk Management.

6. In addition to the above, insurers shall follow the respective provisions as set out below:

- (1) Schedule - I: Actuarial functions
- (2) Schedule – II: Finance functions
- (3) Schedule - III: Investment functions
- (4) Schedule- IV: Loans and Advances by Insurance Companies.
- (5) Schedule – V: Inspection and Supply of Returns

7. Power to issue circulars, guidelines and directions

The Competent Authority may issue from time to time circulars, guidelines and directions relating to these regulations, if necessary including but not limited to, With Profit Committee, applicable norms in respect of Appointed Actuary, Foreign Reinsurance Branches, detailed information to be obtained in relation to the statements appended to the Actuarial Report and Abstract, submission of any other additional forms or statements with respect to General Insurance, Reinsurance and Life Insurance businesses as applicable.

8. Power to issue clarifications and to remove difficulties

In order to remove any doubts or difficulties that may arise in the application or interpretation of any of the provisions of these Regulations, the Competent Authority may issue appropriate clarifications as and when deemed necessary.

9. Repeal

- (i) These Regulations shall repeal the following regulations from the date these Regulations come into force.
 - (1) Insurance Regulatory and Development Authority of India (Actuarial Report and Abstract for Life Insurance Business) Regulations, 2016 and subsequent amendments;
 - (2) Insurance Regulatory and Development Authority of India (Distributions of Surplus) Regulations, 2002;
 - (3) Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of Life Insurance Business) Regulations, 2016;
 - (4) Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016 and subsequent amendments;
 - (5) Insurance Regulatory and Development Authority of India (Appointed Actuary) Regulations, 2022;
 - (6) Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016;
 - (7) Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 and subsequent amendments;
 - (8) Insurance Regulatory and Development Authority of India (Inspection and Fee for Supply of Copies of Returns) Regulations, 2015;

(9) Insurance Regulatory and Development Authority of India (Loans or Temporary Advances to Full Time Employees of the Insurers) Regulations, 2016;

(ii) Other provisions which were in existence in the regulations mentioned above under regulation 9(i) here and not covered in this regulation shall be dealt separately by the circular issued under provision of regulation 7 of this regulation

DEBASISH PANDA, Chairperson

[ADVT.-III/4/Exty./XXX/2023-24]

Schedule - I: Actuarial Functions

Part I: Definitions

1. General:

- (1) "Institute of Actuaries of India" means a statutory body established under section 3 of the Actuaries Act, 2006 (35 of 2006);
- (2) "Valuation date" means the date on which the valuation of assets and liabilities of the insurer is carried out;
- (3) "Ordinarily resident in India" means a resident in India defined as per the Income Tax Act, 1961

2. Applicable to Life Insurers:

- (1) "Extra premium" means a charge or premium collected for additional risk exposure beyond the risk factored in deriving the standard premium rates;
- (2) "Group business" means business other than individual business;
- (3) "Guarantees" means the terms in regard to benefits or premiums or charges, which shall not be altered during the currency of the policy;
- (4) "Individual business" means individual insurance contracts issued on single or joint life basis;
- (5) "Inter valuation period" means period between two successive actuarial valuations of asset and liabilities of an insurer;
- (6) "Maturity date" means a fixed date on which maturity benefit may become payable either absolutely or contingently;
- (7) "non-par policies" or "policies without participation in profits" means policies which are not entitled for any share in surplus or profits;
- (8) "non-participating policyholders" means the holders of "non-par policies";
- (9) "options" means the rights available to a policyholder under a policy;
- (10) "par policies" or "policies with participation in profits" means policies which are entitled to share in surplus or profits during the policy term as per Section 49 of the Insurance Act, 1938.;
- (11) "policies with deferred participation in profits" means policies entitled for participation in profits after a certain period from the date of commencement of the policy;
- (12) "participating policyholders" means the holders of "par policies" and "policies with deferred participation in profits";
- (13) "premium payment term" means the period during which premiums are payable;
- (14) "Policy Accounts" means funds for each policy under Variable Linked Business and Variable Non-Linked Business;

- (15) “sum at risk”, at any point of time in respect of policy is the excess of
Sum of
{‘Lump sum benefit payable on death or any other contingency covered’}
and
{‘Present Value of the benefits payable on account of death or any other contingency in form
of periodical payments including annuity payments’}
Over
{Mathematical Reserves} of the policy

3. Applicable to General Insurers:

- (1) "Allocated Loss Adjustment Expenses (ALAE)" are claim-related expenses that are directly attributable to a specific claim;
- (2) “Claim Reserves” means the reserves in respect of the claims which have already occurred as on the date of valuation;
- (3) “Incurred But Not Enough Reported (IBNER) Reserves” means the reserves reflecting the expected changes in the estimates of reported claims including ALAE, if any;
- (4) “Incurred But Not Reported Claim (IBNR) Reserves” includes IBNER, estimate for reopened claims, provision for incurred but not reported claims, provision for claims in transit as on the date of valuation and ALAE;
- (5) “Outstanding Claim Reserves (OS Reserves)” means the provision made in respect of all outstanding reported claims as on the date of valuation including ALAE;
- (6) “Unexpired Risk Reserves” means the reserves in respect of the liabilities for unexpired risks and determined as the aggregate of Unearned Premium Reserve (UPR) and Premium Deficiency Reserve (PDR).

Part II: Appointed Actuary

1. Appointment of an Appointed Actuary:

An insurer registered to carry on insurance business in India shall appoint an actuary, on approval of the Competent Authority, who shall be known as the “Appointed Actuary” for the purposes of the Act.

2. Procedure for Appointment of an Appointed Actuary:

- (1) A person shall be eligible to be appointed as an Appointed Actuary for an insurer, if he or she is:
 - (i) Ordinarily resident in India;
 - (ii) A Fellow member in accordance with the Actuaries Act, 2006;

- (iii) A Fellow Member of the Institute of Actuaries of India (IAI), satisfying the following requirements in case of a Life Insurer:
- (a) At least 12 years of experience in the area of Life Insurance and out of which at least 7 years shall be post fellowship experience.
- Provided, if the applicant has passed the Specialist Application or Specialist Advanced level subject in Life Insurance from Institute of Actuaries of India or from any other institute or body with which IAI has Mutual Recognition Agreement, the experience criteria including post fellowship experience criteria as mentioned in Regulation 2(1)(iii)(a) of Part II of Schedule-I above shall be reduced by 2 years.
- (b) At least 3 years post fellowship experience out of 7 years or 5 years as applicable, as specified under Regulation 2(1)(iii)(a) of Part II of Schedule-I shall be in the preparation or review of annual statutory valuation or product pricing of an Indian Life Insurer or reinsurer or foreign reinsurance branch transacting life reinsurance business.
- Notwithstanding above, experience in the area of Life Insurance as a Peer Reviewer or Independent Actuary or Panel Actuary or Actuary certifying the reinsurance returns for Life reinsurance business or experience in actuarial consultancy in Life Insurance business or relevant experience with the Authority shall also be considered.
- (c) At least 3 years of experience shall be in the role of middle or senior level management.
- (iv) A Fellow Member of the Institute of Actuaries of India (IAI), satisfying the following requirements in case of a General Insurer:
- (a) At least 9 years of experience in the area of General Insurance and out of which at least 4 years shall be post fellowship experience.
- Provided, if the applicant has passed the Specialist Application or Specialist Advanced level subject in General Insurance from Institute of Actuaries of India or from any other institute or body with which IAI has Mutual Recognition Agreement, the experience criteria including post fellowship experience criterion as mentioned in Regulation 2(1) (iv)(a) of Part II of Schedule-I above shall be reduced by 2 years.
- (b) At least 2 years post fellowship experience out of 4 years or 2 years as applicable, as specified under Regulation 2(1)(iv)(a) of Part II of Schedule-I shall be in the preparation or review of annual statutory valuation or product pricing of an Indian General Insurer or reinsurer or foreign reinsurance branch transacting General and Health reinsurance business.
- Notwithstanding above, experience in the area of General Insurance as a Peer Reviewer or Panel Actuary or Actuary certifying reinsurance returns for General reinsurance business or experience in actuarial consultancy in General Insurance business or relevant experience with the Authority shall also be considered.
- (c) At least 3 years of experience shall be in the role of middle or senior level management.
- (v) A Fellow Member of the Institute of Actuaries of India (IAI), satisfying the following requirements in case of a Health Insurer:

(a) At least 9 years of experience in the area of General or Health Insurance and out of which at least 4 years shall be post fellowship experience.

Provided, if the applicant has passed the Specialist Application or Specialist Advanced level subject in General or Health Insurance from Institute of Actuaries of India or from any other institute or body with which IAI has Mutual Recognition Agreement, the experience criteria including post fellowship experience criterion as mentioned in Regulation 2(1)(v)(a) of Part II of Schedule-I above shall be reduced by 2 years.

(b) At least 2 years post fellowship experience out of 4 years or 2 years as applicable, as specified under Regulation 2(1)(v)(a) of Part II of Schedule-I shall be in the preparation or review of annual statutory valuation or product pricing of an Indian General or Health Insurer or reinsurer or foreign reinsurance branch transacting General and health reinsurance business

(c) Notwithstanding above, experience in the area of General or Health Insurance as a Peer Reviewer or Panel Actuary or Actuary certifying reinsurance returns for General or Health reinsurance business or experience in actuarial consultancy in General or Health insurance business or relevant experience with the Authority shall also be considered.

(d) At least 3 years of experience shall be in the role of middle or senior level management.

(vi) An employee of the insurer on full time basis;

(vii) A person who has not committed any professional or other misconduct;

(viii) Not an Appointed Actuary of any other insurer in India;

(ix) A person who possesses a Certificate of Practice issued by the Institute of Actuaries of India;

(x) Not over the age of 70 years.

3. Provision for existing Appointed Actuaries as on date of notification of these Regulations:

The existing Appointed Actuaries as on the date of notification of these Regulations are eligible to continue as Appointed Actuary of the respective insurer.

4. An insurer shall seek the approval of the Competent Authority for the appointment of Appointed Actuary, submitting the application in the format as may be specified from time to time.

5. The Competent Authority shall, within thirty days from the date of receipt of application, either accept or reject the same.

Provided that before rejecting the application, the Competent Authority shall give an opportunity of being heard to the insurer.

6. An insurer, who is unable to appoint an Appointed Actuary in accordance with Regulation 2(1) of Part II of Schedule-I of these Regulations, shall make an application to the Authority in writing for

relaxation of any of the eligibility conditions. The Competent Authority may grant relaxation of one or more conditions. However, there shall be no relaxation in respect of conditions under Regulations 2(1)(ii), 2(1)(vii) & 2(1)(ix) of Part II of Schedule-I of these Regulation.

7. The appointment of an Appointed Actuary shall take effect on or after the date of approval by Competent Authority.

8. Effect of rejection of the application

The insurer shall, within four weeks of rejection of the application referred to under Regulation 2(5) of Part II of Schedule-I of these Regulations, apply to the Authority under Regulation 2(4) of Part II of Schedule-I of these Regulations for the appointment of an actuary as an Appointed Actuary other than the one rejected by it under Regulation 2(5) of Part II of Schedule-I of these Regulations.

9. Carrying on business without Appointed Actuary

- (1) No insurer shall carry on the business of insurance/reinsurance without an Appointed Actuary. Any non-compliance in this regard shall attract appropriate actions under the relevant provisions of the Act.
- (2) The Competent Authority, on request of the insurer for relaxation of the provisions under Regulation 9(1) of Part II of Schedule-I of these Regulations, may grant relaxation for such period (not exceeding one year), as it may deem appropriate.
- (3) The Competent Authority may issue circular(s) from time to time regarding the transitory provisions for consideration of relaxation referred under Regulation 9(2) of Part II of Schedule-I of these Regulations.

10. Cessation of Appointment of Appointed Actuary

- (1) An Appointed Actuary shall be given a notice of withdrawal of approval by the Competent Authority on the following grounds:
 - (i) that he or she ceases to be eligible in accordance with sub-regulation (1) of Regulation 2 of Part II of Schedule-I of these Regulations, or
 - (ii) that he or she has, in the opinion of the Competent Authority, failed to perform adequately and properly the duties and obligations of an Appointed Actuary under these Regulations.
- (2) The Competent Authority after serving a notice to such Appointed Actuary shall grant an opportunity of being heard and thereafter issue appropriate order either withdrawing approval or revocation of the notice issued.
- (3) If the Appointed Actuary makes formal intimation to the insurer to cease to be an Appointed Actuary of the insurer otherwise than on the grounds mentioned in Regulation 10(1) of Part II of Schedule-I of these Regulations, the insurer and the Appointed Actuary shall intimate the Authority the reasons thereof within one week of the date of such intimation to the insurer.

- (4) The insurer in consultation with Appointed Actuary shall endeavour to avoid delay in submission of annual statutory returns arising from cessation of services of Appointed Actuary.

11. Powers of Appointed Actuary

- (1) An Appointed Actuary shall have access to all such information and documents in possession or under control, of the insurer if the same access is necessary for the proper and effective performance of the functions and duties of the Appointed Actuary.
- (2) The Appointed Actuary may seek any information for the purpose of Regulation 11(1) of Part II of Schedule-I of these Regulations from any officer or employee of the insurer.
- (3) The Appointed Actuary shall be entitled:
 - (i) to attend, speak and discuss on any matter in meetings of the management including directors meeting of the insurer and in meetings of the shareholders or the policyholders of the insurer:
 - (i) that relates to the actuarial advice given to the directors;
 - (ii) that may affect the solvency of the insurer;
 - (iii) that may affect the ability of the insurer to meet the reasonable expectations of policyholders; or
 - (iv) on which actuarial advice is necessary.
- (4) An Appointed Actuary shall be entitled to make any statement to insurer, for the purpose of the performance of his or her functions as Appointed Actuary. This is in addition to any other privilege conferred upon an Appointed Actuary under any other Regulations.
- (5) No provision of the letter of appointment of the Appointed Actuary, shall restrict or prevent his or her duties, obligations and privileges under these Regulations.

12. Duties and obligations

In particular, and without prejudice to the generality of the foregoing matters, and in the interests of the insurance industry and the policyholders, the duties and obligations of an Appointed Actuary of an insurer shall include:

- (1) Ensuring that all the requisite records have been made available to him or her for the purpose of conducting actuarial valuation of liabilities and assets of the insurer;
- (2) Rendering actuarial advice to the management of the insurer, in particular in the areas of product design and pricing, insurance contract wording, investments and reinsurance;
- (3) Identifying and monitoring the risks associated with the insurer's ability to maintain the solvency at all times and reporting those risks to the Board of the insurer where the Appointed Actuary believes that there are material concerns which may adversely affect the solvency of the insurer with recommendations on actions to be taken for rectification of

solvency position and informing the Authority, if the insurer fails to take necessary steps to rectify the situation;

- (4) Complying with the provisions of the section 64V of the Act in regard to certification of the assets and liabilities that have been valued in the manner required under the said section;
- (5) Complying with the provisions of the section 64 VA of the Act in regard to maintenance of required control level of solvency margin in the manner required under the said section;
- (6) Drawing the attention of management of the insurer, to any matter on which he or she thinks that action is required to be taken by the insurer to avoid any contravention of the Act of such a nature that it may affect the interests of the policyholders;
- (7) Complying with the Authority's directions from time to time;
- (8) Ensuring that overall pricing policy of the insurer is in line with the overall underwriting and claims management policy of the insurer;
- (9) Ensuring adequacy of reinsurance arrangements;
- (10) Contributing to the effective implementation of the risk management system;
- (11) Complying with the provisions of section 21 of the Act in regard to further information required by the Authority;
- (12) In addition to the above, the duties of an Appointed Actuary of an insurer carrying on life insurance business shall include:
 - (i) Certifying the actuarial report and abstract and other returns as required under section 13 of the Act;
 - (ii) Complying with the provisions of the section 112 of the Act in regard to recommendation of interim bonus or bonuses payable by life insurer to policyholders whose policies mature for payment by reason of death or otherwise during the inter-valuation period;
 - (iii) Rendering actuarial advice in respect of expenses of management of the insurer;
 - (iv) Ensuring that the premium rates of the insurance products are fair;
 - (v) Certifying that the mathematical reserves have been determined in the manner prescribed in Part III of Schedule-I of these Regulations and taking into account the Guidance Notes /Actuarial Practice Standard issued by the Institute of Actuaries of India and any directions given by the Authority;
 - (vi) Ensuring that the policyholders' reasonable expectations have been considered in the matter of valuation of liabilities and distribution of surplus to the participating policyholders who are entitled for a share of surplus;
 - (vii) Submitting the actuarial advice in the interests of the insurance industry and the policyholders;

- (viii) Coordinating the calculation of mathematical reserves;
 - (ix) Ensuring the appropriateness of the methodologies and underlying models used, as well as the assumptions made in the calculation of mathematical reserves;
 - (x) Assessing the sufficiency and quality of the data used in the calculation of mathematical reserves;
 - (xi) Informing the Board of insurer about the reliability and adequacy of mathematical reserves;
- (13) In addition to (1) to (11) above, the duties of the Appointed Actuary of the insurer carrying on general insurance business or health insurance business include:
- (i) Ensuring that the premium rates of the insurance products are fair;
 - (ii) Certifying that claims reserves including reserves for incurred but not reported claims (IBNR) and other reserves (including reserves for incurred but not enough reported claims (IBNER) and premium deficiency reserve (PDR)) have been determined using actuarial principles and in the manner prescribed in Part IV of Schedule-I of these Regulations;
 - (iii) Rendering actuarial advice in respect of expenses of management of the insurer;
 - (iv) Coordinating the calculation of reserves for IBNR and other reserves (including reserves for IBNER and PDR);
 - (v) Assessing the sufficiency and quality of the data used in the calculation of reserves for IBNR and other reserves including reserves for IBNER and PDR;
 - (vi) Informing the Board of insurer about the reliability and adequacy of reserves for IBNR and other reserves including reserves for IBNER and PDR;
- (14) informing the Authority in writing of his or her opinion, within a reasonable time,
- (i) any contravention of the Act or any other acts by the insurer is of such a nature that it may affect significantly the interests of the Policyholders or beneficiaries of policies issued by the insurer;
 - (ii) whether the directors of the insurer have failed to take such action as is reasonably necessary to enable him or her to exercise his or her duties and obligations under these Regulations; or
 - (iii) whether an officer or employee of the insurer has engaged in conduct in order to prevent him or her exercising his or her duties and obligations under these Regulations.
- (15) If an Appointed Actuary is disqualified to act as an Actuary, he or she ceases to exist as Appointed Actuary forthwith;

- (16) while carrying out his or her duties and obligations, the Appointed Actuary shall pay due regard to generally accepted actuarial principles and practices;
- (17) the Appointed Actuary shall inform the Authority of any disciplinary proceedings initiated against him or her by any entity within seven days from the date of such initiation.

13. Conflict of interest

- (1) The Appointed Actuary shall function in accordance with these Regulations, and he or she shall not function in any other capacity which could result in conflict of interest in performing his or her role as Appointed Actuary in accordance with these Regulations.
- (2) The insurer and the Appointed Actuary shall comply with the provisions of Regulation 13(1) of Part II of Schedule-I of these Regulations above at all times during his or her tenure as Appointed Actuary.

14. Obligations of the insurer

- (1) The insurer shall provide adequate resources to the Appointed Actuary.
- (2) In order to build up or develop sufficient actuarial expertise, life insurers shall have at least two actuaries and general/standalone health insurers shall have at least one actuary in addition to Appointed Actuary for pricing and valuation purposes within such period as may be notified by the Competent Authority from time to time.
- (3) The insurer shall ensure that different functions of the insurer provide adequate support to the Appointed Actuary in discharging his or her duties and obligations.
- (4) The insurer shall ensure that the Appointed Actuary does not simultaneously perform the role of Chief Risk Officer of the insurer. The Chief Risk Officer, however may preferably be an Actuary independent of the Appointed Actuary.
- (5) The insurer shall ensure that the Appointed Actuary reports directly to Chief Executive Officer of the insurer.

15. Applicability to reinsurance business

This Part of the Regulations shall apply to reinsurers carrying on reinsurance business in India except in case of a foreign insurer engaged in re-insurance business through a branch established in India. The applicable norms in respect of Foreign Reinsurance Branches shall be as per master circular issued by the Competent Authority.

Part III: Valuation of Life Insurance Business

1. Applicability

This part of regulations shall be applicable to all the life insurers.

(A) Assets, Liabilities and Solvency Margin

1. Valuation of Assets

All assets of a life insurer shall be valued in accordance with Schedule II- (Preparation of Financial Statements) of these Regulations and other applicable Regulations including regulations on Other forms of Capital and Investment, directions and guidelines, if any except the following assets which shall be placed with value zero for solvency margin computation.

- (1) Agents' and Intermediaries' balances and outstanding premiums in India, to the extent they are not realised within a period of thirty days;
- (2) Agents' and Intermediaries' balances and outstanding premiums outside India, to the extent they are not realisable;
- (3) Sundry debts, to the extent they are not realisable;
- (4) Advances and receivables of an unrealisable character;
- (5) Loans and advances as per Schedule – IV of these regulations.
- (6) Furniture, fixtures, dead stock and stationery;
- (7) Deferred expenses;
- (8) Debit balance of Profit and loss appropriation account balance and any fictitious assets other than pre-paid expenses;
- (9) Reinsurer's balances outstanding for more than one hundred and twenty days;
- (10) Leasehold improvements
- (11) Goods and Services Tax (GST) unutilized credit outstanding for more than 120 days;
- (12) Seventy-five percent of the 'Deferred Tax Asset' other than that arising on account of "Accumulated losses";
- (13) 'Deferred Tax Asset' arising on account of "Accumulated losses";
- (14) Any other assets to the extent not realisable.

2. Determination of Amount of Liabilities

Every Life Insurer transacting life insurance business shall value the amount of liabilities in the manner as set out below:

- (1) Mathematical Reserves shall be determined for each contract by a prospective method of valuation in accordance with sub-paras (2) to (4).
- (2) The valuation method shall take into account all prospective contingencies under which any premiums (by the policyholder) or benefits (to the policyholder/beneficiary) may be payable under the policy, as determined by the policy conditions. The level of benefits shall take into account the reasonable expectations of policyholders (with regard to bonuses, including terminal bonuses, if any) and any established practices of an insurer for payment of benefits.
- (3) The valuation method shall take into account the cost of any options and guarantees that may be available to the policyholder under the terms of the contract.
- (4) The determination of the amount of liability under each policy shall be based on prudent assumptions of all relevant parameters. The value of each such parameter shall be based on the insurer's expected experience and shall include an appropriate margin for adverse deviations (hereinafter referred to as MAD) that shall not result in decrease in the amount of mathematical reserves.
- (5) Treatment of negative reserves and surrender value deficiency reserves:

- (i) The amount of mathematical reserve in respect of a policy, determined in accordance with sub para (4), may be negative (called “negative reserves”) or less than the surrender value available (called “surrender value deficiency reserves”) at the valuation date. The surrender value for this purpose shall be higher of special surrender value and guaranteed surrender value.
 - (ii) The Appointed Actuary shall, for the purpose of section 35 of the Act, use the amount of such mathematical reserves without any modification;
 - (iii) The Appointed Actuary shall, for the purpose of sections 13, 49, 64V and 64VA of the Act, set the amount of such mathematical reserve to zero, in case of such negative reserve, or to the surrender value, in case of such surrender value deficiency reserves, as the case may be.
- (6) The valuation method shall be “Gross Premium Valuation” except for the following cases:
- (i) One-year renewable group term assurances including riders attached to group business wherein Reserves shall allow for Unearned Premium, Premium deficiency and Incurred But Not Reported claims.
 - (ii) Riders attached to individual products wherein the reserve shall be higher of Gross Premium Valuation Reserve and Unearned Premium Reserve.
- (7) For individual business, the Appointed Actuary may hold additional reserve in respect of Incurred But Not Reported claims.
- (8) If in the opinion of the Appointed Actuary, a method of valuation other than the Gross Premium Method of valuation is to be adopted, then, other approximation methods (e.g. retrospective method) may be used.
- Provided that** the amount of calculated reserve is expected to be at least equal to the amount that shall be produced by application of Gross Premium Valuation method.
- (9) The method of calculation of the amount of liabilities and the assumptions for the valuation parameters shall not be subject to arbitrary discontinuities from one year to the next.
3. **Policy Cash Flows:** The gross premium method of valuation shall discount the following future policy cash flows at an appropriate rate of interest,
- (1) Gross premiums payable, if any,
 - (2) benefits payable, if any, on death, survival, maturity, voluntary termination of contract or any other contingencies covered under the policy
 - (3) bonuses that have already been vested as at the valuation date if any,
 - (4) bonuses as a result of the valuation at the valuation date if any
 - (5) future bonuses if any (one year after valuation date) including terminal bonuses

- (6) any other benefits as applicable
- (7) commission and remuneration payable, if any, in respect of a policy. No allowance shall be made for non-payment of commission in respect of orphaned policies
- (8) policy maintenance expenses, if any, in respect of a policy;
- (9) allocation of profit to shareholders, if any, where there is a specified relationship between profits attributable to shareholders and the bonus rates declared for policyholders

Provided that allowance must be made for tax, if any.

- (10) any other cash flow as applicable

4. **Policy Options and Guarantees:** Where a policy provides built-in options that may be exercised by the policyholder, such as conversion or addition of coverage at future date(s) without any evidence of good health, or guarantees, such as annuity rate guarantees at maturity of contract, investment guarantees etc., the costs of such options or guarantees shall be estimated and treated as special cash flows in calculating the mathematical reserves.

5. Valuation Parameters:

(1) The valuation parameters shall constitute the bases on which the future policy cash flows shall be computed and discounted. Each parameter shall be appropriate to the block of business to be valued. The Appointed Actuary shall take into consideration the following:

(i) The value(s) of the parameter shall be based on the insurer's experience study, where available. If reliable experience study is not available, the value(s) can be based on the industry study, if available and appropriate. If neither is available, the values may be based on the bases used for pricing the product. In establishing the expected level of any parameter, any likely deterioration in the experience shall be taken into account;

(ii) The expected level, as determined in clause (i) of this sub-para, shall be adjusted by an appropriate Margin for Adverse Deviations (MAD), the level of MAD being dependent on the degree of confidence in the expected level, and such MAD in each parameter shall be based on the Actuarial Practice Standards / Guidance Notes issued by the Institute of Actuaries of India, with the concurrence of the Authority

(iii) The values used for the various valuation parameters should be consistent among themselves.

(2) **Mortality rates** to be used shall be by reference to a published table, unless the insurer has constructed a separate table based on its own experience:

Provided that such published table shall be made available to the insurance industry by the Institute of Actuaries of India, with the concurrence of the Authority.

Provided further that such rates determined by reference to a published table shall not be less than one hundred percent of that published table.

Provided further that such rates determined by reference to the published table may be less than one hundred percent of that published table if the Appointed Actuary can justify a lower percent.

- (3) **Morbidity rates** to be used shall be by reference to a published table, unless the insurer has constructed a separate table based on its own experience:

Provided that such published table shall be made available to the insurance industry by the Institute of Actuaries of India, with the concurrence of the Authority:

Provided further that such rates determined by reference to a published table shall not be less than one hundred percent of that published table.

Provided further that such rates determined by reference to the published table may be less than one hundred percent of that published table if the Appointed Actuary can justify a lower percent.

- (4) **Policy maintenance expenses** shall have regard to the actual expense experience of the insurer. All expenses shall be increased in future years for inflation; the rate of inflation assumed should be consistent with the valuation rate of interest.

Provided that appropriate additional provisions shall be made if the actual experience has not been considered for the valuation.

Provided further that the above provision shall not be applicable to the life insurance companies for the first five years from the date of commencement of the business.

- (5) **Valuation rate of interest:** -

- (i) The best estimate interest rate shall first be, determined based on the current and expected yields from existing assets attributable to blocks of life insurance business, and the yields which the insurer is expected to obtain from the sums to be invested in the future, and such assessment shall take into account-
- (a) the composition of assets supporting the liabilities, expected cash flows from the investments on hand, the cash flows from the block of policies to be valued, the likely future investment conditions and the reinvestment and disinvestment strategy to be employed in dealing with the future net cash flows;
 - (b) the risks associated with investment in regard to receipt of income on such investment or repayment of principal;
 - (c) the expenses associated with the investment functions of the insurer;
- (ii) such Best Estimate shall be adjusted by the Margin for Adverse Deviation to arrive at the valuation rate of interest
- (iii) Further, the valuation rate of interest,

- (a) shall not be higher than the rates of interest, determined from prudent assessment of the yields from existing assets attributable to blocks of life insurance business, and the yields which the insurer is expected to obtain from the sums to be invested in the future;
 - (b) shall not be higher than, for the calculation of present value of policy cash flows in respect of a particular category of contracts, the yields on assets maintained for the purpose of such category of contracts;
 - (c) in respect of non-participating business, shall recognize the risk of decline in the future interest rates;
 - (d) in respect of participating business, shall be based on the assumption (with regard to future investment conditions), that the scale of future bonuses used in the valuation is consistent with the valuation rate of interest.
- (6) **Lapse rate**, if considered for valuation, should be a prudent assumption based on past experience of the product or similar products; and shall have regard to the expected future experience based on the nature of the products, target market, distribution channel etc.
- (7) **Other parameters** may be taken into account, depending on the type of policy. In establishing the values of such parameters, the considerations set out in Part III-A of this Schedule shall be taken into account.
- (8) Reinsurance arrangement with an element of borrowing in the form of deposit or credit of any kind from insurer's reinsurers without the prior approval of the Competent Authority shall not be treated as credit for reinsurance for the purpose of determination of required solvency margin.
- (9) In case the mathematical reserve is calculated allowing for outgo in respect of reinsurance premium and credit taken for claim recoveries from reinsurer, the valuation basis and methods shall be as per the Part III of this schedule.

6. Additional Requirements for Linked Insurance Business:

- (1) Reserves in respect of linked business shall consist of two components, namely, unit reserves or policy account value and general fund reserves.
- (2) Unit reserves or policy account value shall be calculated in respect of the units or policy account value allocated to the policies in force at the valuation date using unit values or policy account value if applicable, at the valuation date.
- (3) General fund reserves shall be determined using discounted cash flow method, which shall take into account of the following, namely: -
 - (i) premiums, if any, payable in future;
 - (ii) death benefits, if any, provided by the general fund reserve (over and above the value of units or the policy account value);
 - (iii) Charges paid to the general fund;

- (iv) guarantees, if any, relating to surrender values or minimum death and maturity benefits;
 - (v) Fund growth rates and fund management charges. (The values of these parameters, along with others, shall be determined in accordance with para 5(5) of Part III (A) of Schedule I of these Regulations);
 - (vi) Non-negative residual additions, if any,
 - (vii) Other future cash flow, if any,
 - (viii) Any future negative cash flow shall be appropriately provided for by setting up reserves;
- (4) General fund reserve under linked policies calculated as above, if negative, shall be set to zero.
- (5) The General Fund reserves shall be considered as reserve for non-linked non-participating business for the purpose of investment norms, distribution of surplus etc.

7. Additional Requirements for Variable Linked Business:

- (1) Reserve in respect of variable linked business shall consist of two components, namely, policy account reserves and general fund reserves.
- (2) Policy account reserves shall be the balance in Policy Account on the date of valuation.
- (3) General fund reserves shall be determined using discounted cash flow method, which shall take into account of the following, namely: -
 - (i) Premiums, if any, payable in future;
 - (ii) Death benefits, if any, provided by the general fund (over and above the value of policy account);
 - (iii) Charges paid to the general fund;
 - (iv) Guarantees, if any, relating to surrender values or minimum death and maturity benefits;
 - (v) Policy account growth rates and fund management charges. (The values of these parameters, along with others, shall be determined in accordance with para 5(5) of Part III (A) of Schedule I of these Regulations);
 - (vi) Non-negative residual additions, if any;
 - (vii) Other future cash flow, if any,
 - (viii) Any future negative cash flow shall be appropriately provided for by setting up reserves;
- (4) General fund reserves under variable linked policies calculated as above, if negative, shall be set to zero.

- (5) The general fund reserves shall be considered as reserve for non-linked non-participating business for the purpose of investment norms, distribution of surplus etc.

8. Additional Requirements for Variable Non-Linked Business (Par and Non-Par):

- (1) Reserve in respect of variable non-linked business shall consist of two components, namely, policy account reserves and general fund reserves.
- (2) Policy account reserves shall be the balance in Policy Account on the date of valuation.
- (3) General fund reserves shall be determined using discounted cash flow method, which shall take into account of the following, namely: -
- (i) Premiums, if any, payable in future;
 - (ii) Death benefits, if any, provided by the general fund (over and above the value of Policy account);
 - (iii) Charges paid to the general fund;
 - (iv) Guarantees, if any, relating to surrender values or minimum death and maturity benefits;
 - (v) Policy account growth rates and fund management charges. (The values of these parameters, along with others, shall be determined in accordance with para 5(5) of Part III (A) of Schedule I of these Regulations);
 - (vi) Non-negative residual additions, if any,
 - (vii) Other future cash flow, if any,
 - (viii) Any future negative cash flow shall be appropriately provided for by setting up reserves
 - (ix) Future bonuses (one year after valuation date) including terminal bonuses (consistent with the valuation rate of interest)
 - (x) Allocation of profit to shareholders, if any, where there is a specified relationship between profits attributable to shareholders and the bonus rates declared for policyholders.

Provided that allowance must be made for tax, if any

- (6) General fund reserves under variable Non-linked policies calculated as above, if negative, shall be set to zero.
- (7) The general fund reserves shall be considered as reserve for non-linked business for the purpose of investment norms, distribution of surplus etc.
- 9. Requirements for Additional Provisions:** The Appointed Actuary shall make aggregate provisions in respect of the following, where it is not possible to factor while calculating mathematical reserves for each policy, in the determination of mathematical reserves: -

- (1) Policies in respect of which extra premiums have been charged on account of underwriting of substandard lives that are subject to extra risks such as occupation hazard, over-weight, under-weight, smoking history, health, climatic or geographical conditions;
- (2) Lapsed policies not included in the valuation but under which a liability exists or may arise;
- (3) Reduced paid-up policies where there is possibility of revival resulting in additional reserves;
- (4) Options available under individual and group insurance policies;
- (5) Guarantees available to individual and group insurance policies;
- (6) The rates of exchange at which benefits in respect of policies issued in foreign currencies have been converted into Indian Rupees and what provision has been made for possible increase of mathematical reserves arising from future variations in rates of exchange;
- (7) Pandemic events, if any;
- (8) Other, if any.

10. Solvency Margin

Control level of solvency margin:

- (1) The control level of solvency margin shall be one hundred and fifty percent of required solvency margin
- (2) Every life insurer shall at all times maintain solvency margin not below the control level of solvency margin.

11. Health Insurance Business

Where the Life Insurer transacts health insurance business providing health covers, the amount of liabilities shall be determined in accordance with the principles specified under these Regulations.

12. Business outside India

Where the Life Insurer transacts life insurance business in a country outside India as a branch of the insurer and submits statements or returns or any such particulars to the host regulator, the insurer shall enclose the same along with the forms as specified in Part III (B) of Schedule-I of these Regulations.

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.

13. Furnishing of Statements

Statements of Assets, Liabilities and Solvency Margin shall be furnished in forms as specified under Part III (B) of Schedule-I of these regulations and shall be furnished separately for life insurance business within India and total business transacted by the insurer.

(B) Report and Abstract for Life Insurance Business as stipulated under the Section 13 of the Act.

1. Procedure for Preparation of Actuarial Report and Abstract.

- (1) The abstracts and statements must be so arranged that the number and letters of the paragraphs correspond with Regulation 2 of Part III(B) of Schedule-I of these Regulations.
- (2) The Abstracts and Statements 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, whichever is earlier.
- (3) There shall be appended to every such abstract and statement:
 - (i) Certificate signed by the Chief Executive Officer (CEO) that full and accurate particulars of every policy under which there is a liability, either actual or contingent, has been furnished to the appointed actuary for the investigation; however, exceptions if any, may be brought out along with action being taken to rectify the deficiency in the valuation data.
 - (ii) Certificate signed by the Appointed Actuary with his remarks, if any, to the effect that:
 - (a) The data furnished by the CEO has been included in conducting the valuation of liabilities for the purpose of the investigation.
 - (b) the provisions of the Act are complied with;
 - (c) the Actuarial Practice Standards issued by Institute of Actuaries of India with the concurrence of the Authority are complied with;
 - (d) Reasonable steps have been taken to ensure the accuracy and completeness of data (if any data deficiency is observed this may be highlighted).
 - (e) In the opinion of the Appointed Actuary, the mathematical reserves are adequate to meet insurer's future commitments under the contracts, and the policyholders' reasonable expectations.

2. Requirements Applicable to Abstract and Statements

- (1) Abstracts and statements shall be prepared separately in respect of ---
 - (i) Participating;
 - (ii) Non-Participating business
- (2) Every insurer shall append the following statements in the form specified in Annexure_Act1 (1) - (9) to the abstract prepared in accordance with these regulations: -

- (i) Form IA PAR (In respect of Non-Participating Business)
- (ii) Form IA NPAR (In respect of Non-Participating Business)
- (iii) Statement of Liabilities – Form H, Form NLB, Form LB, Form VIPNLB and Form VIPLB
- (iv) Statement of Assets - Form AA
- (v) Valuation balance Sheet – Form I
- (vi) Form KT1
- (vii) Form KT2
- (viii) Statement of Available Solvency Margin and Solvency Ratio - Form KT3
- (ix) Composition and Distribution of Surplus – Form S

- (3) Every insurer shall also submit the following along with above statements;
- (i) With Profit Committee Report
 - (ii) Any other forms as prescribed by the Competent Authority from time to time
 - (iii) Detailed information regarding the above statements may be obtained in the formats as specified by the Competent Authority.

(3) Each Abstract shall show-

- (i) **The Valuation Date-** The date on which valuation (investigation) is done;
- (ii) **Products-** A list of all products/riders included in the valuation along with their respective UIN;
- (iii) **Foreign Operations-** A brief description of the foreign operations of the insurer, during the inter-valuation period;
- (iv) **Valuation data** - The Appointed Actuary shall comment on the steps taken to verify consistency, completeness and accuracy of data provided by the CEO.
- (v) **Valuation Method** - A brief description of ----
 - (a) the methods adopted in the determination of mathematical reserves in respect of insurance products;
 - (b) the method by which age at entry, premium term, maturity date, valuation age, period from the valuation date to the maturity date, have been treated for the purpose of valuation;
 - (c) the manner in which reinsurance has been taken into account in arriving at the valuation reserves net of reinsurance
 - (d) the method of allowing for-
 - (i) incidence of premium income: and
 - (ii) premiums payable otherwise than annually;
 - (e) valuation methodology for various options and guarantees:
 - (i) Provide the details of various options that are provided under various products included in investigation.
 - (ii) Summarize the methods used to make suitable provisions for these options, wherever explicitly provided.
 - (iii) Provide the details of various guarantees that are offered under various products included in investigation.

(iv) Summarize the methods used to make provisions for these guarantees, wherever explicitly provided.

(4) Other Adjustments (Provisions) - The methods by which provisions, if any, have been made for the following matters, along with a statement of bases as part of Valuation bases, wherever necessary, -

- (i) Policies in respect of which extra premiums have been charged on account of underwriting of under-average lives that are subject to extra risks such as occupation hazard, over-weight, under-weight, smoking history, health, climatic or geographical conditions;
- (ii) Lapsed policies not included in the valuation but under which a liability exists or may arise;
- (iii) Options available under individual and group insurance policies
- (iv) Guarantees available to individual and group insurance policies
- (v) The rates of exchange at which benefits in respect of policies issued in foreign currencies have been converted into Indian Rupees and what provision has been made for possible increase of mathematical reserves arising from future variations in rates of exchange;

(5) Valuation bases- Valuation parameters used in the valuation shall be furnished separately for best estimate, margin for adverse deviation and valuation assumptions in the manner as specified in the table hereunder: -

Description	Mortality basis used	Morbidity basis used	Inflation rate	Interest Rate	Expenses	Lapse / Surrender, if any	Future bonuses, if any	Others please specify	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
(a) Insurance Product:									
i) Regular Premium									
ii) Single premium and Fully paid up									
iii) Reduced Paid up									
(b) Insurance Product:									
i) Regular Premium									

Notes:

- (i) Summarize the Margins for Adverse Deviations for these parameters.
- (ii) Provide the basis for arriving at the valuation parameters along with experience, if any
- (iii) Summarize and justify any material changes made to the assumptions during the inter-valuation period along with the impact.
- (iv) Specify separately the expenses related to premiums, sum assured, annuity, etc., and per policy under Column (6) of the table;

- (v) Specify items such as terminal bonus in respect of with profit contracts and management charges, unit growth rate, policy account growth rate etc. in respect of linked business under Column (9) of the table;
 - (vi) Include items related to Other Provisions, if any, as part of Column (9)
- 3. Negative Reserves and Guaranteed Surrender Value Deficiency Reserves-** A brief description of treatment adopted for negative reserves and guaranteed surrender value deficiency reserves shall be furnished.
- 4. Return on Assets:** The yield on investment will be the investment income as a percentage of the mean fund over the period, on assets attributable to blocks of business / segments etc. The value of the assets for this purpose shall be the adjusted values of assets using the asset valuation method prescribed in **Part III-A of Schedule-I of these** Regulations. The mean fund would be assessed considering the amount and incidence of cash-flow to the fund.
- 5. Distribution of surplus.** -- The basis adopted in the distribution of surplus as between the shareholders and the policyholders, and whether such distribution was determined by the instruments constituting the Insurer or by its regulations or by-laws or how otherwise shall be mentioned.
- 6. Principles adopted in distribution of surplus:**
The general principles adopted in distribution of surplus among policyholders, including statements on following points, shall be furnished: -
- (1) Whether the principles were determined by instruments constituting the insurer, or by its regulations or by-laws or how otherwise;
 - (2) The number of years premium to be paid, period to elapse and other conditions to be fulfilled before a bonus is allotted;
 - (3) Whether the bonus is allocated in respect of each year's premium paid, or in respect of each calendar year or year of assurance or how otherwise; and
 - (4) Whether the bonus vests immediately on allocation, or, if not, conditions of vesting.
- 7. Statement of composition of surplus and distribution of surplus in respect of policyholders' funds.**
- (1) A Statement of composition of surplus and distribution of surplus in respect of policyholders' funds, showing total amount of surplus as at the Balance sheet date and the allocation of such surplus, shall be furnished separately for participating business and for non-participating business, with the particulars as mentioned below:
- Composition of Surplus:
- (i) Surplus emerging during the valuation year:
 - (ii) Interim Bonuses paid during the inter-valuation period;
 - (iii) Terminal Bonuses paid during the inter-valuation period;
 - (iv) Loyalty Additions or other forms of bonuses, if any, paid during the inter-valuation period;

- (v) Sum transferred from shareholders' funds during the inter-valuation period;
- (vi) Amount of surplus, from policyholders' funds, brought forward from preceding valuation:
- (vii) Total Surplus (total of the items (i) to (vi)):

Distribution of Surplus:

Policyholders' Fund:

- (i) To Interim Bonuses paid;
- (ii) To Terminal Bonuses;
- (iii) To Loyalty Additions or any other forms of bonuses, if any;
- (iv) Among policyholders with immediate participation giving the number of policies which participated and the sums assured thereunder (excluding bonuses);
- (v) Among policyholders with deferred participation, giving the number of policies which participated and the sums assured thereunder (excluding bonuses);
- (vi) To every reserve fund or other fund or account (any such sums passed through the accounts during the inter-valuation period to be separately stated);
- (vii) As carried forward un-appropriated.

Share-holders' fund:

- (viii) To the shareholders' funds (any such sums passed through the accounts during the inter valuation period to be separately stated); Totals:
 - (ix) Total Surplus allocated: (total of the items (i) to (viii))
- (4) Specimen of Bonuses allotted to policies for one thousand rupees of benefit together with the amounts apportioned under the various manners in which the bonus is receivable, for each type of participating product, shall be furnished.

8. Provisions related to submission of Statements:

- (1) Statements mentioned under **Regulation 2 of Part III (B) of Schedule-I of these Regulations** shall have the following description, as applicable: -
 - (i) Classification
 - (ii) Type
 - (iii) Category
 - (iv) Division
 - (v) Sub-Class
 - (vi) Group

- (2) There shall be two Classifications, namely, Business Within India and Total Business (consisting of Business within India and Business outside India), with Classification Codes 'BWI' and 'BT' respectively
- (3) There shall be two Types, namely, Participating and Non-Participating with codes 'PAR' and 'NPAR' respectively under each classification.
- (4) There shall be four categories as under each Type namely,
 - (i) Non-Linked (other than Variable Insurance Products) with Category Code 'NL'
 - (ii) Linked (other than Variable Insurance Products) with Category Code 'L'
 - (iii) Non-Linked Variable Insurance Products with category code 'VIP-NL'
 - (iv) Linked Variable Insurance Products with category code 'VIP-L'
- (1) There shall be two Divisions, namely, Individual Business and Group Business, with Division Codes 'I' and 'G' respectively under each Category.
- (2) There shall be four Sub-Classes, namely, Life Business, Pension Business, General Annuity Business and Health Insurance Business with Sub-Class codes 'L','P', 'A', and 'HL'
- (3) There shall be two Groups, namely, Immediate Participation, Deferred Participation with Group Codes of 'I-PAR' and 'D-PAR' respectively under the Sub Class – Life Business of Individual Division under Participating Type.
- (4) There shall be two Groups, namely, Immediate Annuity and Deferred Annuity with Group Codes 'IA' and 'DA' under the Sub Class of General Annuity Business.
- (5) There shall be two Groups, namely, Premiums Guaranteed for not more than one year and Premiums Guaranteed for more than one year with Group Codes of 'NGP' and 'GP' respectively under Sub Class of Life Business under the Division of Group Business under Non-Linked Category.
- (6) There shall be two Groups, namely, With Guarantees and Without Guarantee with Group Codes of 'WG' and 'WOG' respectively under each of the categories Unit-Linked, Non-Linked Variable Insurance Products and Linked Variable Insurance Products.
- (7) "Nil" Statements shall be furnished for those forms where the insurer has no transactions.
- (8) All figures shall be furnished in thousands and all amounts shall be furnished in Indian Rupees.
- (13) In respect of Group Business, 'the number of policies' in Forms, wherever applicable, shall be read as 'number of schemes'.

(C) Distribution of Surplus by Life Insurance Companies

1. Requirement to maintain a life insurance fund

- (1) A life insurer registered under section 3 of the Act shall be required to maintain separately:

- (i) A life fund for participating policyholders; and
 - (ii) A life fund for non-participating policyholders.
- (2) A failure to comply with the requirements of sub-regulation (1) above shall mean that the life fund maintained by the insurer shall be for the benefit of the participating policy holders only.

2. Procedure for distribution of surplus

A life insurer, may on the advice of his Appointed Actuary, reserve to its shareholders, a part of the actuarial surplus (also referred to as valuation surplus) arising out of a valuation of assets and liabilities made for a financial year in accordance with Part III of these Regulations, in the following manner:

- (1) 100%, in case of a life fund maintained for non-participating policy-holders;
- (2) 1/9th of the surplus allocated to policyholders in case of a life fund maintained for participating policy holders.

Provided that an insurer shall however be required to obtain prior approval of the Authority in cases where the said allocation is not the one-ninth of the surplus.

Provided further that an insurer shall not allocate or reserve exceeding ten per cent of the said actuarial surplus to its shareholders.

Part IV: Valuation of General Insurance Business

1. Applicability

This part of regulations shall be applicable to all the general insurers and standalone health insurers.

2. Assets, Liabilities and Solvency Margin

(1) Valuation of Assets:

All assets of a general insurers and standalone health insurers shall be valued in accordance with Schedule II (Preparation of Financial Statements) of these Regulations and other applicable Regulations including regulations on Other forms of Capital and Investment, directions and guidelines, if any, except the following assets which shall be placed with value zero for solvency margin computation.

- (i) Agents' and Intermediaries' balances and outstanding premiums in India, to the extent they are not realized within a period of thirty days;
- (ii) Premiums receivables relating to State/Central government sponsored schemes, to the extent they are not realized within a period of 365 days;
- (iii) Agents' and Intermediaries' balances and outstanding premiums outside India, to the extent they are not realizable;
- (iv) Sundry debts, to the extent they are not realizable;

- (v) Advances and receivables of an unrealizable character;
- (vi) Loans and advances as per Schedule – IV of these regulations;
- (vii) Furniture, fixtures, dead stock and stationery;
- (viii) Deferred expenses;
- (ix) Debit balance of Profit and loss appropriation account balance and any fictitious assets other than pre-paid expenses;
- (x) Co-insurer's balances outstanding for more than ninety days;
- (xi) Balances of Indian Reinsurers and Foreign Reinsurers having Branches in India outstanding for more than 365 days;
- (xii) Reinsurer's balances other than mentioned in point (x) above outstanding for more than 180 days;
- (xiii) Leasehold improvements
- (xiv) Goods and Services Tax (GST) Unutilized Credit outstanding for more than 120 days;
- (xv) Seventy-five percent of the 'Deferred Tax Asset' other than that arising on account of "Accumulated losses";
- (xvi) 'Deferred Tax Asset' arising on account of "Accumulated losses";
- (xvii) Any other assets to the extent not realisable.

(2) Determination of Amount of Liabilities

The amount of technical liabilities shall be determined on the Valuation Date separately for each line of business and shall be the sum total of Unexpired Risk Reserves and Claims Reserves. The Appointed Actuary shall ensure the reserves estimated are adequate to meet the liabilities.

(i) Unexpired Risk Reserves (URR):

The URR shall be calculated using sound actuarial principles and shall comprise of the following:

(a) Unearned Premium Reserve (UPR):

A reserve for unearned premium shall be provided as the amount representing that part of the premium written which is attributable to, and allocated to the succeeding accounting periods. UPR will be estimated as per the extant provisions and shall be certified by the Chief Financial Officer and the Statutory Auditor.

(b) 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 for assessing the sustainability of products and maintaining at lines of business level. PDR as maintained at the insurer level shall be subject to minimum of zero value.

Premium deficiency shall be recognized if the sum of expected claim costs, expenses and maintenance costs exceeds related unearned premium reserve. Premium deficiency reserve shall be calculated and duly certified by an Appointed Actuary.

(ii) CLAIMS RESERVE

- (a) The Claims Reserve shall be determined as the aggregate amount of Outstanding Claims Reserve, incurred but Not Reported Claims Reserve (IBNR) and incurred but not enough reported (IBNER) claim reserves as described below for the following lines of business.

ITEM	
NO. LINE OF BUSINESS	

MOTOR	
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)

HEALTH	
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9	Health Insurance - Individual
10	Health Insurance - Group-Government Schemes
11	Health Insurance - Group-Employer/Employee Schemes
12	Health Insurance - Group-Other Schemes

PERSONAL ACCIDENT	
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13	Personal Accident - Individual
14	Personal Accident- Group (Government Schemes)
15	Personal Accident-Group(Others)
16	TRAVEL
17	FIRE

MARINE	
18	Marine Cargo
19	Marine-Other than Marine Cargo
OTHER MISCELLANEOUS	
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

(b) Outstanding Claims Reserve

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

- i. Where the amount of outstanding claims of the insurers is known, the amount is to be provided in full;
- ii. 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;
- iii. 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 outstanding reserve shall be certified by Appointed Actuary. Where the Appointed Actuary identifies material changes in the claims handling practices, their impact on the outstanding claims reserve pattern shall be taken into account and reported.

(c) Incurred But Not Reported (IBNR) Claims Reserve

- i. The incurred but not reported (IBNR) claims reserve shall be determined using appropriate actuarial principles and methods

- ii. The IBNR shall be estimated using appropriate actuarial principles and shall be certified by the Appointed Actuary.
- iii. The Appointed Actuary shall estimate IBNR on both net of reinsurance and gross of reinsurance basis.
- iv. 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.
- v. If estimate of IBNR provision for any year of occurrence produces a negative value, the Appointed Actuary shall consider the IBNR provision for that year of occurrence at least zero.
- vi. The estimation process shall not discount the estimated future development of claims to the current date.

3. Determination of Other Liabilities

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

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

4. Determination of Solvency Margin

- (1) Every general insurer and standalone health insurer shall determine the Required Solvency Margin, the Available Solvency Margin, and the Solvency Ratio in FORM IRDAI-GI-SM in accordance with Annexure ActI-12.
- (2) Control level of solvency margin:
 - (a) The control level of solvency margin shall be one hundred and fifty percent of required solvency margin.
 - (b) Every general insurer and standalone health insurer shall at all times maintain solvency margin not below the control level of solvency margin.

5. Statements to be Submitted

- (1) Every general insurer and standalone health insurer shall submit a statement of value of admissible assets in FORM IRDAI-GI-TA in accordance with Annexure ActI- 10.
- (2) The amount of technical liabilities shall be determined on the Valuation Date separately for each line of business as listed in the FORM IRDAI-GI-SM. Every general insurer and standalone health insurer shall submit a statement of liabilities in FORM IRDA-GI-TR in accordance with Annexure ActI- 11, certified by the Appointed Actuary, Principal Officer and Chief Financial Officer in accordance with Section 64V of the Act.

- (3) Every general insurer and standalone health insurer shall submit a statement of solvency margin in FORM IRDA-GI-SM in accordance with Annexure Actl- 12.
- (4) The general insurer and standalone health insurer shall furnish any additional information as may be specified by the Competent Authority from time to time.
- (5) The Forms as prescribed above, 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.
- (6) 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 specified by the Competent Authority from time to time.

6. Business Outside India:

Where the insurer transacts general or health insurance business in a country outside India as a branch of the insurer 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 may be specified by the Competent 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 the Appointed Actuary 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.

Part V: Applicability to Reinsurers including 'Foreign Reinsurance Branches' for the purpose of determination of solvency margin:

1. Life Reinsurance business:

- (1) The amount of liabilities shall be determined in accordance with the Part III (A) of these Regulations;
- (2) The Required Solvency Margin shall be determined in accordance with the Part III (B) of these Regulations
- (3) Life Reinsurance business includes health re-insurance business ceded by life insurers.

2. General Reinsurance business:

- (1) The amount of liabilities shall be determined in accordance with the Part IV of these Regulations;
- (2) The Required Solvency Margin shall be determined in accordance with the Part IV of these Regulations
- (3) General Reinsurance business includes health re-insurance business ceded by General and standalone health insurers.

3. Valuation of assets

- (1) The available asset shall be valued at reinsurer level in accordance with Schedule II - Preparation of Financial Statements and Auditors' Report of Insurance Companies of these regulations.
- (2) Inadmissible assets shall be valued in accordance with Part III and Part IV as applicable.

4. Control level of solvency margin:

- (1) The control level of solvency margin shall be one hundred and fifty percent of Total Required Solvency Margin, where Total Required Solvency Margin is the sum of Required Solvency Margin for Life Reinsurance business and Required Solvency Margin of General Reinsurance Business.
- (2) The reinsurer shall at all times maintain solvency margin not below the control level of solvency margin.

5. Statements to be Submitted

(1) Statements for Life Reinsurance Business:

- (a) Statement of Liabilities – Form H (Annexure ActI-1)
- (b) Form KT1(Annexure ActI-6)
- (c) Form KT2(Annexure ActI-7)

(2) Statements for General Reinsurance Business:

- (a) Form IRDAI-GI-TR (Annexure ActI-11)
- (b) Form IRDAI-GI-SM (Annexure ActI-12)

(3) Combined statements for Life and General Reinsurance business

- (a) Statement of Assets – FORM IRDAI-RI-TA (Annexure ActI-13)
- (b) Solvency Form - IRDAI-RI-SM (Annexure ActI-14)

(4) Every reinsurer shall submit the statements as specified above under Regulation 5(1) to 5(3) of Part V of Schedule I of these Regulations.

(5) Any other forms as prescribed by the Competent Authority from time to time

6. The forms as referred in Regulation 5 of Part V of Schedule-I of these Regulations 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 reinsurer, whichever is earlier, along with any other reports as may be specified by the Competent Authority from time to time.

Schedule – II: Finance functions

Part I: Preparation of financial statements, management report of life insurers

1. **Applicability**

This part of regulations shall be applicable to all the life insurers.

2. **Accounting Principles for Preparation of Financial Statements-** Applicability of Accounting Standards. - Every Balance-Sheet, Revenue Account [Policyholders' Account], Receipts and Payments Account [Cash Flow statement] and Profit and Loss Account [Shareholders' Account] of an insurer shall be in conformity with the Accounting Standards (AS) issued by the ICAI, to the extent applicable to insurers carrying on life insurance business, except that-

- (1) Accounting Standard 3 (AS 3) - Cash Flow Statements - Cash Flow Statement shall be prepared only under the Direct Method.
- (2) Accounting for Investments shall be done in accordance with Accounting Standard 13 (AS 13).
- (3) Accounting Standard 17 (AS 17) - Segment Reporting - shall apply to all insurers irrespective of the requirements regarding listing and turnover mentioned therein.

3. **Premium** - Premium shall be recognised as income when due. For linked business the due date for payment may be taken as the date when the associated units are created.

4. **Acquisition Costs** - Acquisition costs, if any, shall be expensed in the period in which they are incurred.

Acquisition costs are those costs that vary with and are primarily related to the acquisition of new and renewal insurance contracts. The most essential test is the obligatory relationship between costs and the execution of insurance contracts (i.e., commencement of risk).

5. **Claims Cost** - The ultimate cost of claims shall comprise the policy benefit amount and specific claims settlement costs, wherever applicable.

6. **Actuarial Valuation - Liability for Life Policies-** The estimation of liability against life policies shall be determined by the appointed actuary of the insurer pursuant to his annual investigation of the life insurance business. Actuarial assumptions are to be disclosed by way of notes to the account.

The liability shall be so calculated that together with future premium payments and investment income, the insurer can meet all future claims (including bonus entitlements to policyholders) and expenses.

7. **Procedure to determine value of investments** - An insurer shall determine the values of investments in the following manner: -

- (1) **Real Estate - Investment Property.** - The value of investment property shall be determined at historical cost, subject to revaluation at least once in every three years. The change in the carrying amount of the investment property shall be taken to Revaluation Reserve.

The insurer shall assess at each balance sheet date whether any impairment of the investment property has occurred.

Gains/losses arising due to changes in the carrying amount of real estate shall be taken to equity under 'Revaluation Reserve'. The 'Profit on sale of investments' or 'Loss on sale of investments', as the case may be, shall include accumulated changes in the carrying amount previously recognised in equity under the heading 'Revaluation Reserve' in respect of a particular property and being recycled to the relevant Revenue Account or Profit and Loss Account on sale of that property.

The bases for revaluation shall be disclosed in the notes to accounts. The Competent Authority may issue directions specifying the amount to be released from the revaluation reserve for declaring bonus to the policyholders. For the removal of doubt, it is clarified that except for the amount that is released to policyholders as per the Competent Authority's direction, no other amount shall be distributed to shareholders out of Revaluation Reserve Account.

An impairment loss shall be recognised as an expense in the Revenue/Profit and Loss Account immediately, unless the asset is carried at re-valued amount. Any impairment loss of a re-valued asset shall be treated as a revaluation decrease of that asset and if the impairment loss exceeds the corresponding revaluation reserve, such excess shall be recognised as an expense in the Revenue/Profit and Loss Account.

- (2) **Debt Securities.** - Debt securities, including government securities and redeemable preference shares, shall be considered as "held to maturity" securities and shall be measured at historical cost subject to amortisation.
- (3) **Equity Securities and Derivative Instruments that are traded in active markets.** - Listed equity securities and derivative instruments that are traded in active markets shall be measured at fair value on the balance sheet date. For the purpose of calculation of fair value, the lowest of the last quoted closing price at the stock exchanges where the securities are listed shall be taken. Measurement for the purpose of calculation of fair value shall be the last quoted closing price on NSE. However, in case of any stock not being listed in NSE, the insurer may value the Equity based on the last quoted closing price in BSE.

The insurer shall assess on each balance sheet date whether any impairment of listed equity security(ies)/derivative(s) instruments has occurred.

An active market shall mean a market, where the securities traded are homogenous, availability of willing buyers and willing sellers is normal and the prices are publicly available.

Unrealised gains/losses arising due to changes in the fair value of listed equity shares and derivative instruments shall be taken to equity under the head 'Fair Value Change Account'. The 'Profit on sale of investments' or 'Loss on sale of investments', as the case may be, shall include accumulated changes in the fair value previously recognised in equity under the heading 'Fair Value Change Account' in respect of a particular security and being recycled to the relevant Revenue Account or Profit and Loss Account on actual sale of that listed security.

The Competent Authority may issue directions specifying the amount to be released from the Fair Value Change Account for declaring bonus to the policyholders. For the removal of doubt, it is clarified that except for the amount that is released to policyholders as per the Competent Authority's prescription, no other amount shall be distributed to shareholders out of Fair Value Change Account. Also, any debit balance in Fair Value Change Account shall be reduced from profit/free reserves while declaring dividends.

The insurer shall assess, on each balance sheet date, whether any impairment has occurred. An impairment loss (i.e. other than temporary diminution in value) shall be recognised as an expense in Revenue/Profit and Loss Account to the extent of the difference between the re-measured fair value of the security/investment and its acquisition cost as reduced by any previous impairment loss recognised as expense in Revenue/Profit and Loss Account. Any reversal of impairment loss, earlier recognised in Revenue/Profit and Loss Account shall be recognised in Revenue/Profit and Loss Account.

Insurer shall disclose its policy on recognition of impairment in notes to account.

- (4) **Unlisted and other than actively traded Equity Securities and Derivative Instruments.** - Unlisted equity securities and derivative instruments and listed equity securities and derivative instruments that are not regularly traded in active markets shall be measured at historical cost. Provision shall be made for diminution in value of such investments. The provision so made shall be reversed in subsequent periods if estimates based on external evidence show an increase in the value of the investment over its carrying amount. The increased carrying amount of the investment due to the reversal of the provision shall not exceed the historical cost.

For the purposes of this regulation, a security shall be considered as being not actively traded, if as per guidelines governing mutual funds laid down from time to time by SEBI, such a security is classified as "thinly traded".

- (5) **Loans.** - Loans shall be measured at historical cost subject to impairment provisions.

The insurer shall assess the quality of its loan assets and shall provide for impairment. The impairment provision shall not be lower than the amounts derived on the basis of guidelines prescribed from time to time by the Reserve Bank of India, that apply to companies and financial institutions.

- (6) **Linked Business.** - The accounting principles used for valuation of investments are to be consistent with principles enumerated above. A separate set of financial statements, for each segregated fund of the linked businesses, shall be annexed.

Segregated funds represent funds maintained in accounts to meet specific investment objectives of policy-holders who bear the investment risk. Investment income/gains and losses generally accrue directly to the policyholders. The assets of each account are segregated and are not subject to claims that arise out of any other business of the insurer.

- (7) **Funds for future appropriation** - The funds for future appropriation shall be presented separately.

The funds for future appropriation represent all funds, the allocation of which, either to the policyholders or to the shareholders, has not been determined by the end of the financial year.

8. Disclosures Forming Part of Financial Statements-

- (1) **The following shall be disclosed by way of notes to the Balance Sheet:** -
- (i) Contingent Liabilities:
 - (a) Partly-paid up investments
 - (b) Underwriting commitments outstanding

- (c) Claims, other than those under policies, not acknowledged as debts;
- (d) Guarantees given by or on behalf of the company
- (e) Statutory demands/liabilities in dispute, not provided for
- (f) Reinsurance Obligations to the extent no provided for in accounts
- (g) Others (to be specified).
- (ii) Actuarial assumptions for valuation of liabilities for life policies in force.
- (iii) Encumbrances to assets of the company in and outside India.
- (iv) Commitments made and outstanding for Loans, Investments and Fixed Assets.
- (v) Basis of amortisation of debt securities.
- (vi) Claims settled and remaining unpaid for a period of more than six months as on the balance sheet date.
- (vii) Value of contracts in relation to investments, for:
 - (a) Purchases where deliveries are pending;
 - (b) Sales where payments are overdue.
- (viii) Operating expenses relating to insurance business: basis of allocation and apportionment of expenditure to various segments of business.
- (ix) Computation of managerial remuneration.
- (x) Historical costs of those investments valued on fair value basis.
- (xi) Basis of revaluation of investment property.
- (xii) Provisions made for policy cancellations during free look period in current year and previous year duly certified by the appointed actuary
- (xiii) Disclosure that contributions made by the shareholders to the Policyholders' A/c are irreversible in nature, and shall not be recouped to the shareholders at any point of time in future with reference to the general meeting of the insurer at which such prior approval of the shareholders has been obtained.

(2) The following accounting policies shall form an integral part of the financial statements:

- (i) All significant accounting policies in terms of the accounting standards issued by the ICAI, and significant principles and policies given in Part I of Accounting Principles. Any other accounting policies, followed by the insurer, shall be stated in the manner required under Accounting Standard AS 1 issued by the ICAI.
- (ii) Any departure from the accounting policies shall be separately disclosed with reasons for such departure.

(3) The following information shall also be disclosed

- (i) Investments made in accordance with any statutory requirement should be disclosed separately together with its amount, nature, security and any special rights in and outside India;
- (ii) Segregation into performing/non-performing investments for purpose of income recognition as per the directions, if any, issued by the Competent Authority;
- (iii) Assets to the extent required to be deposited under local laws or otherwise encumbered in or outside India;
- (iv) Percentage of business sector wise;
- (v) Bases of allocation of investments and income thereon between Policy-holders' Account and Share-holders' Account;
- (vi) Disclosure of policy and principles for provisioning for policy cancellations during free look period, based on assumptions and experience, duly certified by the appointed actuary
- (vii) Any other information as may be specified.

9. General Instructions for Preparation of Financial Statements

- (1) The corresponding amounts for the immediately preceding financial year for all items shown in the Balance Sheet, Revenue Account, Profit and Loss Account and Receipts and Payments Account shall be given.
- (2) The figures in the financial statements may be rounded off to the nearest Lakhs.
- (3) Interest, dividends and rentals receivable in connection with an investment should be stated at gross amount, the amount of income tax deducted at source should be included under "advance taxes paid" and taxes deducted at source.
- (4) For the purposes of financial statements, unless the context otherwise requires, -
 - (i) the expression "provision" shall, subject to (v) below mean any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets, or retained by way of providing for any known liability or loss of which the amount cannot be determined with substantial accuracy;
 - (ii) the expression "reserve" shall not, subject to as aforesaid, include any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets or retained by way of providing for any known liability or loss;
 - (iii) the expression "capital reserve" shall not include any amount regarded as free for distribution through the profit and loss account; and the expression "revenue reserve" shall mean any reserve other than a capital reserve;
 - (iv) The expression "liability" shall include all liabilities in respect of expenditure contracted for and all disputed or contingent liabilities.
 - (v) Where-
 - (a) any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets, or
 - (b) any amount retained by way of providing for any known liability or loss, is in excess of the amount which in the opinion of the directors is reasonably necessary for the purpose, the excess shall be treated as a reserve and not provision.
- (5) The company shall make provisions for damages under lawsuits where the management is of the opinion that the award may go against the insurer.
- (6) Extent of risk retained and re-insured shall be separately disclosed.
- (7) Any debit balance of the Profit and Loss Account shall be shown as deduction from uncommitted reserves and the balance, if any, shall be shown separately.
- (8) All insurers are required to maintain separate investment accounts for the shareholders and the policy holders and the income/ losses accrued / capital gains/losses on the investments is to be credited /debited to the Revenue Account/ Profit & Loss Account, as the case may be.

10. **Contents of Management Report:** - There shall be attached to the financial statements, a management report containing, inter alia, the following duly authenticated by the management: -

- (1) Confirmation regarding the continued validity of the registration granted by the Authority;
- (2) Certification that all the dues payable to the statutory authorities have been duly paid;
- (3) Confirmation to the effect that the shareholding pattern and any transfer of shares during the year are in accordance with the statutory or regulatory requirements;
- (4) Declaration that the management has not directly or indirectly invested outside India the funds of the holders of policies issued in India;
- (5) Confirmation that the required solvency margins have been maintained;
- (6) Certification to the effect that the values of all the assets have been reviewed on the date of the Balance Sheet and that in his (insurer's) belief the assets set forth in the Balance-sheets are shown in the aggregate at amounts not exceeding their realisable or market value under the several headings - "Loans", "Investments", "Agents balances", "Outstanding Premiums", "Interest, Dividends and Rents outstanding", "Interest, Dividends and Rents accruing but not

- due", "Amounts due from other persons or Bodies carrying on insurance business", " Sundry Debtors", " Bills Receivable", " Cash" and the several items specified under "Other Accounts";
- (7) Certification to the effect that no part of the life insurance fund has been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 (4 of 1938) relating to the application and investment of the life insurance funds;
 - (8) Disclosure with regard to the overall risk exposure and strategy adopted to mitigate the same;
 - (9) Operations in other countries, if any, with a separate statement giving the management's estimate of country risk and exposure risk and the hedging strategy adopted;
 - (10) Ageing of claims indicating the trends in average claim settlement time during the preceding five years;
 - (11) Certification to the effect as to how the values, as shown in the balance sheet, of the investments and stocks and shares have been arrived at, and how the market value thereof has been ascertained for the purpose of comparison with the values so shown;
 - (12) Review of asset quality and performance of investment in terms of portfolios, i.e., separately in terms of real estate, loans, investments, etc.
 - (13) A responsibility statement indicating therein that: -
 - (i) in the preparation of financial statements, the applicable accounting standards, principles and policies have been followed along with proper explanations relating to material departures, if any;
 - (ii) the management has adopted accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the operating profit or loss and of the profit or loss of the company for the year;
 - (iii) the management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act 1938 (4 of 1938)/Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
 - (iv) the management has prepared the financial statements on a going concern basis;
 - (v) the management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.
 - (14) A schedule of payments, which have been made to individuals, firms, companies and organizations in which Directors of the insurer are interested.
 - (15) Confirmation of compliance with domestic, statutory, regulatory and other laws in the countries in relation to subsidiaries, associates, joint ventures and other arrangements.
 - (16) Any other information as may be specified.

11. Preparation of Financial Statements

1. An insurer shall prepare the Revenue Account [Policy-holders' Account], Profit and Loss Account [Share-holders' Account] and the Balance Sheet in Form A-RA, Form A-PL and Form A-BS, as prescribed in this Part, or as near thereto as the circumstances permit.

Provided that an insurer shall prepare the financial statements and the schedules therein for the under mentioned businesses separately and to that extent the application of AS 17 shall stand modified: -

- (i) Linked Business- (a) Life, (b) Pension, (c) Health, (d) Others
- (ii) Non-Linked Business Participating- (a) Life, (b) Pension, (c) Health, (iv) Others
- (iii) Non-Linked Business -Non-Participating- (a) Life, (b) Pension, (c) Health, (d) Others
- (iv) Business within India and business outside India.
- (v) Any other segment as may be specified.

2. An insurer shall prepare separate Receipts and Payments Account in accordance with the Direct Method prescribed in AS 3 - "Cash Flow Statement" issued by the ICAI.

FORM A-RA			
Name of the insurer:			
Registration no. And date of registration with the IRDAI			
Revenue Account for the year ended 31st march, 20__.			
Policyholders' Account (Technical Account)		(Amount in Rs. Lakhs)	
Particulars	Schedule Ref.	Current Year	Previous Year
Premiums earned – net			
(a) Premium	1		
(b) Reinsurance ceded			
(c) Reinsurance accepted			
Income from Investments			
(a) Interest, Dividends & Rent – Gross			
(b) Profit on sale/redemption of investments			
(c) (Loss on sale/ redemption of investments)			
(d) Transfer/Gain on revaluation/change in fair value ¹			
(e) Amortisation of Premium / Discount on investments			
Other Income (to be specified)			
Contribution from Shareholders' A/c			
(a) Towards Excess Expenses of Management ²			
(b) Towards remuneration of MD/CEO/WTD/Other KMPs ³			
(c) Others			
TOTAL (A)			
Commission	2		
Operating Expenses related to Insurance Business	3		
Provision for doubtful debts			
Bad debts written off			
Provision for Tax			
Provisions (other than taxation)			
(a) For diminution in the value of investments (Net)			
(b) For others (to be specified)			
Goods and Services Tax on ULIP Charges			
TOTAL (B)			
Benefits Paid (Net)	4		
Interim Bonuses Paid			
Change in valuation of liability in respect of life policies			
(a) Gross ⁴			
(b) Amount ceded in Reinsurance			
(c) Amount accepted in Reinsurance			

(d) Fund Reserve for Linked Policies			
(e) Fund for Discontinued Policies			
TOTAL (C)			
SURPLUS/ (DEFICIT) (D) =(A)-(B)-(C) ⁵			
Amount transferred from Shareholders' Account (Non-technical Account) ⁶			
Amount available for appropriation			
Appropriations			
Transfer to Shareholders' Account			
Transfer to Other Reserves (to be specified)			
Balance being Funds for Future Appropriations			
TOTAL			

¹ Represents the deemed realised gain as per specified norms.

² In case expenses of management exceeds the limits prescribed by the Regulations,

³ In case annual remuneration exceeds the specified limit,

⁴ Represents Mathematical Reserves after allocation of bonus

⁵The total surplus shall be disclosed separately with the following details:

- (a) Interim Bonuses Paid:
- (b) Allocation of Bonus to policyholders:
- (c) Surplus shown in the Revenue Account:
- (d) Total Surplus: [(a)+(b)+(c)].

⁶ In case of deficit in the Revenue Account

Note:

- a) Reinsurance premiums whether on business ceded or accepted are to be brought into account gross (i.e. before deducting commissions) under the head reinsurance premiums.
- b) Items of income in excess of one percent of the total premiums (less reinsurance) or Rs.5,00,000 whichever is higher, shall be shown as a separate line item.
- c) Interest, dividends and rentals receivable in connection with an investment should be stated as gross amount, the amount of income tax deducted at source being included under 'advance taxes paid and taxes deducted at source'.
- d) Income from rent shall include only the realised rent. It shall not include any notional rent.
- e) Under the sub-head "Other Income" items like foreign exchange gains or losses and other items shall be included.

FORM A-PL			
Name of the Insurer:			
Registration No. and Date of Registration with the IRDAI			
Profit & loss account for the year ended 31st March, 20__.			
Shareholders' Account (Non-technical Account)		(Amount in Rs. Lakhs)	
Particulars	Schedule Ref.	Current Year	Previous Year
Amounts transferred from the Policyholders Account (Technical Account)			
Income from Investments			

(a) Interest, Dividends & Rent – Gross			
(b) Profit on sale/redemption of investments			
(c) (Loss on sale/ redemption of investments)			
(d) Amortisation of Premium / Discount on Investments			
Other Income (to be specified)			
TOTAL (A)			
Expense other than those directly related to the insurance business			
Contribution to Policyholders' A/c			
(a) Towards Excess Expenses of Management ¹			
(b) Towards remuneration of MD/CEO/WTD/Other KMPs ²			
(c) Others			
Interest on subordinated debt			
Expenses towards CSR activities			
Penalties			
Bad debts written off			
Amount Transferred to Policyholders' Account ³			
Provisions (Other than taxation)			
(a) For diminution in the value of investments (Net)			
(b) Provision for doubtful debts			
(c) Others (to be specified)			
TOTAL (B)			
Profit/ (Loss) before tax			
Provision for Taxation			
Profit / (Loss) after tax			
APPROPRIATIONS			
(a) Balance at the beginning of the year.			
(b) Interim dividend paid			
(c) Final dividend paid			
(d) Transfer to reserves/ other accounts (to be specified)			
Profit/Loss carried forward to Balance Sheet			

¹ In case expenses of management exceeds the limits prescribed by the Regulations,

² In case annual remuneration exceeds the specified limit,

³ In case of deficit in the Revenue Account

Note:

a) Interest, dividends and rentals receivable in connection with an investment should be stated as gross amount, the amount of income tax deducted at source being included under 'advance taxes paid and taxes deducted at source'.

b) Income from rent shall include only the realised rent. It shall not include any notional rent.

FORM A-BS

Name of the Insurer:			
Registration No. and Date of Registration with the IRDAI			
Balance sheet as at 31st March, 20____.		(Amount in Rs. Lakhs)	
Particulars	Schedule Ref.	Current Year	Previous Year
Sources of funds			
Shareholders' funds:			
Share capital	5 & 5A		
Share application money pending allotment			
Reserves and surplus	6		
Credit/[debit] fair value change account			
Sub-total			
Borrowings	7		
Policyholders' funds:			
Credit/[debit] fair value change account			
Policy liabilities			
Funds for discontinued policies:			
(i) Discontinued on Account of Non-Payment Of Premiums			
(ii) others			
Insurance reserves ¹			
Provision for linked liabilities			
Sub-total			
Funds for future appropriations			
Linked			
Non-linked (non-par)			
Non-linked (par)			
Deferred tax liabilities (net)			
Total			
Application of funds			
Investments			
Shareholders'	8		
Policyholders'	8A		
Assets held to cover linked liabilities	8B		
Loans	9		
Fixed assets	10		
Deferred tax assets (net)			
Current assets			
Cash and bank balances	11		
Advances and other assets	12		
Sub-total (a)			

Current liabilities	13		
Provisions	14		
Sub-total (b)			
Net current assets (c) = (a – b)			
Miscellaneous expenditure (to the extent not written off or adjusted)	15		
Debit balance in profit & loss account (shareholders' account)			
Deficit in Revenue Account (policyholders' account)			
Total			

1 the Insurance Reserves cannot be a negative figure

Contingent Liabilities		(Amount in Rs. Lakhs)		
	Particulars		Current Year	Previous Year
1	Partly paid-up investments			
2	Claims, other than against policies, not acknowledged as debts by the company			
3	Underwriting commitments outstanding (in respect of shares and securities) (a)			
4	Guarantees given by or on behalf of the Company			
5	Statutory demands/ liabilities in dispute, not provided for			
6	Reinsurance obligations to the extent not provided for in accounts			
7	Others (to be specified)			
	(a)			
	(b)			
	TOTAL			

Note:

- (a) Underwriting commitments outstanding- Commitments to underwrite the subscription to a new issue of shares, but the liability for which is contingent upon the issue not being fully subscribed. It is, however, clarified that insurers are presently not permitted to underwrite issues.
- (b) Re-insurance obligations - it includes obligations under reinsurance contracts with the insurer in respect of which, there are subsisting obligations as at the balance sheet date but for valid reasons, the insurer has not made any provision.

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE I			
Premium			
(Amount in Rs. Lakhs)			
	PARTICULARS	Current Year	Previous Year
1	First year premiums		
2	Renewal Premiums		
3	Single Premiums		
	TOTAL PREMIUM		
	Premium Income from Business written :		
	In India		
	Outside India		
	Notes:-		
	a) Premium income received from business concluded in and outside India shall be separately disclosed.		
	b) Premium to be reported excluding Goods & service tax.		

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE 1			
Premium			
(Amount in Rs. Lakhs)			
	PARTICULARS	Current Year	Previous Year
1	First year premiums		
2	Renewal Premiums		
3	Single Premiums		
	TOTAL PREMIUM		
	Premium Income from Business concluded /written :		
	In India		
	Outside India		

SCHEDULE 2			
Commission Expenses			
(Amount in Rs. Lakhs)			
	Particulars	Current Year	Previous Year
	Commission		
	Direct – First year premiums		
	- Renewal premiums		

	- Single premiums		
	Gross Commission		
	Add: Commission on Re-insurance Accepted		
	Less: Commission on Re-insurance Ceded		
	Net Commission		
	TOTAL		
	Channel wise break-up of Commission and Rewards (Excluding Reinsurance commission):		
	Individual agents		
	Corporate Agents-Banks/FII/HFC		
	Corporate Agents -Others		
	Brokers		
	Micro Agents		
	Direct Business - Online ¹		
	Direct Business - Others		
	Common Service Centre (CSC)		
	Web Aggregators		
	IMF		
	Point of Sales (Direct)		
	Others (Please Specify)		
	Commission and Rewards on (Excluding Reinsurance) Business written :		
	In India		
	Outside India		

¹ Commission on Business procured through Company website

Note:

Profit Commission should be adjusted with the Reinsurance ceded/ accepted and should not be shown in the Schedule of Commission Expenses

SCHEDULE 2

COMMISSION EXPENSES

(Amount in Rs. Lakhs)

	PARTICULARS	Current Year	Previous Year
	Commission		
	Direct – First year premiums		
	- Renewal premiums		
	- Single premiums		
	Gross Commission		

Add: Commission on Re-insurance Accepted		
Less: Commission on Re-insurance Ceded		
Net Commission		
TOTAL		
Channel wise break-up of Commission and Rewards (Excluding Reinsurance commission):		
Individual agents		
Corporate Agents-Banks/FII/HFC		
Corporate Agents -Others		
Brokers		
Micro Agents		
Direct Business - Online ¹		
Direct Business - Others		
Common Service Centre (CSC)		
Web Aggregators		
IMF		
Point of Sales (Direct)		
Others (Please Specify)		
Commission and Rewards on (Excluding Reinsurance) Business written :		
In India		
Outside India		

¹ Commission on Business procured through Company website

Profit Commission should be adjusted with the Reinsurance ceded/ accepted and should not be shown in the Schedule of Commission Expenses

SCHEDULE 3			
Operating Expenses Related to Insurance Business (Amount in Rs. Lakhs)			
	Particulars	Current Year	Previous Year
1	Employees' remuneration & welfare benefits		
2	Travel, conveyance and vehicle running expenses		
3	Training expenses		
4	Rents, rates & taxes		

5	Repairs		
6	Printing & stationery		
7	Communication expenses		
8	Legal & professional charges		
9	Medical fees		
10	Auditors' fees, expenses etc		
	a) as auditor		
	b) as adviser or in any other capacity, in respect of		
	(i) Taxation matters		
	(ii) Insurance matters		
	(iii) Management services; and		
	c) in any other capacity		
11	Advertisement and publicity		
12	Interest & Bank Charges		
13	Depreciation		
14	Brand/Trade Mark usage fee/charges		
15	Business Development and Sales Promotion Expenses		
16	Stamp duty on policies		
17	Information Technology Expenses		
18	Goods and Services Tax (GST)		
19	Others (to be specified)		
	TOTAL		
	Operating Expenses Related to Insurance Business		
	In India		
	Outside India		

Note:

- a) Items of expenses in excess of one percent of the total premiums (less reinsurance) or Rs.5,00,000 whichever is higher, shall be shown as a separate line item.
- b) Expenses paid for various outsourcing activities/arrangements are to be booked under relevant line item on the basis of nature of services availed and not to be shown as "Outsourcing Expenses"

SCHEDULE 4			
Benefits Paid [Net]		(Amount in Rs. Lakhs)	
	Particulars	Current Year	Previous Year
	1. Insurance Claims		
	(a) Claims by Death		
	(b) Claims by Maturity		
	(c) Annuities/Pension payment		
	(d) Periodical Benefit		

	(e) Health		
	(f) Surrenders		
	(g) any other (please specify)		
	Benefits Paid (Gross)		
	In India		
	Outside India		
	2. (Amount ceded in reinsurance):		
	(a) Claims by Death		
	(b) Claims by Maturity		
	(c) Annuities/Pension payment		
	(d) Periodical Benefit		
	(e) Health		
	(f) any other (please specify)		
	3. Amount accepted in reinsurance:		
	(a) Claims by Death		
	(b) Claims by Maturity		
	(c) Annuities/Pension payment		
	(d) Periodical Benefit		
	(e) Health		
	(f) any other (please specify)		
	Benefits Paid (Net)		
	In India		
	Outside India		

Note:

- a) Claims incurred shall comprise claims paid, specific claims settlement costs wherever applicable and change in the outstanding provision for claims
- b) Fees and expenses connected with claims shall be included in claims.
- c) Legal and other fees and expenses shall also form part of the claims cost, wherever applicable.

SCHEDULE 5			
Share Capital		(Amount in Rs. Lakhs)	
	Particulars	Current Year	Previous Year
1	Authorised Capital		
	Equity Shares of Rs..... each		
	Preference Shares of Rs..... each		
2	Issued Capital		

	Equity Shares of Rs..... each		
	Preference Shares of Rs..... each		
3	Subscribed Capital		
	Equity Shares of Rs.....each		
	Preference Shares of Rs..... each		
4	Called-up Capital		
	Equity Shares of Rs.....each		
	Less : Calls unpaid		
	Add : Shares forfeited (Amount originally paid up)		
	Less : Par value of Equity Shares bought back		
	Less : Preliminary Expenses		
	Expenses including commission or brokerage on		
	Underwriting or subscription of shares		
	Preference Shares of Rs..... each		
	TOTAL		

Note:

- Particulars of the different classes of capital should be separately stated.
- The amount capitalised on account of issue of bonus shares should be disclosed.
- In case any part of the capital is held by a holding company, the same should be separately disclosed.

SCHEDULE 5A				
Pattern of Shareholding [As certified by the Management]				
Shareholder	Current Year		Previous Year	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
· Indian				
· Foreign				
Investors¹				
· Indian				
· Foreign				
Others (to be specified) ₂				
· Indian				
· Foreign				

TOTAL				
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¹ Investors as defined under IRDAI Regulations as amended from time to time

² Others may include ESOPs etc.

SCHEDULE 6			
Reserves and Surplus		(Amount in Rs. Lakhs)	
	Particulars	Current Year	Previous Year
1	Capital Reserve		
2	Capital Redemption Reserve		
3	Share Premium		
4	Revaluation Reserve		
5	General Reserves		
	Less: Amount utilized for Buy-back of shares		
	Less: Amount utilized for issue of Bonus shares		
6	Catastrophe Reserve		
7	Other Reserves (to be specified)		
8	Balance of profit in Profit and Loss Account		
	TOTAL		

Note:

a) Additions to and deductions from the reserves shall be disclosed under each of the specified heads.

SCHEDULE 7			
Borrowings		(Amount in Rs. Lakhs)	
Sl. No.	Particulars	Current Year	Previous Year
1	Debentures/ Bonds		
2	From Banks		
3	From Financial Institutions		
4	From Others (to be specified)		
	TOTAL		

Note:

a) The extent to which the borrowings are secured shall be separately disclosed stating the nature of the security under each sub-head, as given below.

b) Amounts due within 12 months from the date of Balance Sheet should be shown separately.

c) Debentures include NCDs issued as per IRDAI Regulations as amended from time to time

Disclosure for Secured Borrowings (Refer Note a)	
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Sl.No.	Source / Instrument	Amount Borrowed	(Amount in Rs. Lakhs)	
			Amount of Security	Nature of Security
1				
2				
3				
4				
5				
...				

SCHEDULE 8			
Investments-Shareholders		(Amount in Rs. Lakhs)	
	Particulars	Current Year	Previous Year
	Long Term Investments		
1	Government securities and Government guaranteed bonds including Treasury Bills		
2	Other Approved Securities		
3	Other Investments		
	(a) Shares		
	(aa) Equity		
	(bb) Preference		
	(b) Mutual Funds		
	(c) Derivative Instruments		
	(d) Debentures/ Bonds		
	(e) Other Securities (to be specified)		
	(f) Subsidiaries		
	Investment Properties-Real Estate		
4	Investments in Infrastructure and Social Sector		
5	Other than Approved Investments		
	Short Term Investments		
1	Government securities and Government guaranteed bonds including Treasury Bills		
2	Other Approved Securities		
3	Other Investments		
	(a) Shares		
	(aa) Equity		
	(bb) Preference		
	(b) Mutual Funds		
	(c) Derivative Instruments		

	(d) Debentures/ Bonds		
	(e) Other Securities (to be specified)		
	(f) Subsidiaries		
	Investment Properties-Real Estate		
4	Investments in Infrastructure and Social Sector		
5	Other than Approved Investments		
	TOTAL		

Note: See Notes appended at the end of Schedule 8B.

SCHEDULE 8-A			
Investments-Policyholders		(Amount in Rs. Lakhs)	
	Particulars	Current Year	Previous Year
	Long Term Investments		
1	Government securities and Government guaranteed bonds including Treasury Bills		
2	Other Approved Securities		
3	(a) Shares		
	(aa) Equity		
	(bb) Preference		
	(b) Mutual Funds		
	(c) Derivative Instruments		
	(d) Debentures/ Bonds		
	(e) Other Securities (to be specified)		
	(f) Subsidiaries		
	(g) Investment Properties-Real Estate		
4	Investments in Infrastructure and Social Sector		
5	Other than Approved Investments		
	Short Term Investments		
1	Government securities and Government guaranteed bonds including Treasury Bills		
2	Other Approved Securities		
3	(a) Shares		
	(aa) Equity		
	(bb) Preference		
	(b) Mutual Funds		
	(c) Derivative Instruments		
	(d) Debentures/ Bonds		

	(e) Other Securities (to be specified)		
	(f) Subsidiaries		
	(g) Investment Properties-Real Estate		
4	Investments in Infrastructure and Social Sector		
5	Other than Approved Investments		
	TOTAL		

Note: See Notes appended at the end of Schedule 8B.

SCHEDULE 8B			
Assets Held To Cover Linked Liabilities		(Amount in Rs. Lakhs)	
	Particulars	Current Year	Previous Year
	Long Term Investments		
1	Government securities and Government guaranteed bonds including Treasury Bills		
2	Other Approved Securities		
3	(a) Shares		
	(aa) Equity		
	(bb) Preference		
	(b) Mutual Funds		
	(c) Derivative Instruments		
	(d) Debentures/ Bonds		
	(e) Other Securities (to be specified)		
	(f) Subsidiaries		
	(g) Investment Properties-Real Estate		
4	Investments in Infrastructure and Social Sector		
5	Other than Approved Investments		
	Short Term Investments		
1	Government securities and Government guaranteed bonds including Treasury Bills		
2	Other Approved Securities		
3	(a) Shares		
	(aa) Equity		
	(bb) Preference		
	(b) Mutual Funds		
	(c) Derivative Instruments		
	(d) Debentures/ Bonds		
	(e) Other Securities (to be specified)		
	(f) Subsidiaries		
	(g) Investment Properties-Real Estate		

4	Investments in Infrastructure and Social Sector		
5	Other than Approved Investments		
6	Other Current Assets (Net)		
	TOTAL		

Notes (Applicable to Schedules 8, 8-A & 8-B)

a) Investments in subsidiary/holding companies, joint ventures and associates shall be separately disclosed, at cost.

i) Holding company and subsidiary shall be construed as defined in the Companies Act, 2013:

ii) Joint Venture is a contractual arrangement whereby two or more parties undertake an economic activity, which is subject to joint control.

iii) Joint control - is the contractually agreed sharing of power to govern the financial and operating policies of an economic activity to obtain benefits from it.

iv) Associate - is an enterprise in which the company has significant influence and which is neither a subsidiary nor a joint venture of the company.

v) Significant influence (for the purpose of this schedule) -means participation in the financial and operating policy decisions of a company, but not control of those policies. Significant influence may be exercised in several ways, for example, by representation on the board of directors, participation in the policymaking process, material inter-company transactions, interchange of managerial personnel or dependence on technical information. Significant influence may be gained by share ownership, statute or agreement. As regards share ownership, if an investor holds, directly or indirectly through subsidiaries, 20 percent or more of the voting power of the investee, it is presumed that the investor does have significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the investor holds, directly or indirectly through subsidiaries, less than 20 percent of the voting power of the investee, it is presumed that the investor does not have significant influence, unless such influence is clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an investor from having significant influence.

b) Aggregate amount of company's investments other than listed equity securities and derivative instruments and also the market value thereof shall be disclosed.

c) Investment made out of Catastrophe reserve should be shown separately.

d) Debt securities will be considered as "held to maturity" securities and will be measured at historical costs subject to amortisation

e) Investment Property means a property [land or building or part of a building or both] held to earn rental income or for capital appreciation or for both, rather than for use in services or for administrative purposes.

f) Investments maturing within twelve months from balance sheet date and investments made with the specific intention to dispose of within twelve months from balance sheet date shall be classified as short-term investments

Disclosure for Schedules 8, 8A & 8B

Aggregate value of Investments other than Listed Equity Securities and Derivative Instruments								
(Amount in Rs. Lakhs)								
Particulars	Shareholders		Policyholders		Assets held to cover Linked Liabilities		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Long Term Investments:								
Book Value								
Market Value								
Short Term Investments:								
Book Value								
Market Value								

Note: Market Value in respect of Shareholders and Policyholders investments should be arrived as per the guidelines prescribed for linked business investments as specified

SCHEDULE 9			
Loans		(Amount in Rs. Lakhs)	
	Particulars	Current Year	Previous Year
1	Security-Wise Classification		
	Secured		
	(a) On mortgage of property		
	(aa) In India		
	(bb) Outside India		
	(b) On Shares, Bonds, Govt. Securities, etc.		
	(c) Loans against policies		
	(d) Others (to be specified)		
	Unsecured		
	TOTAL		
2	Borrower-Wise Classification		
	(a) Central and State Governments		
	(b) Banks and Financial Institutions		
	(c) Subsidiaries		
	(d) Companies		
	(e) Loans against policies		
	(f) Others (to be specified)		

	TOTAL		
3	Performance-Wise Classification		
	(a) Loans classified as standard		
	(aa) In India		
	(bb) Outside India		
	(b) Non-standard loans less provisions		
	(aa) In India		
	(bb) Outside India		
	TOTAL		
4	Maturity-Wise Classification		
	(a) Short Term		
	(b) Long Term		
	TOTAL		

Note:

- a) Short-term loans shall include those, which are repayable within 12 months from the date of balance sheet. Long term loans shall be the loans other than short-term loans.
- b) Provisions against non-performing loans shall be shown separately.
- c) The nature of the security in case of all long term secured loans shall be specified in each case. Secured loans for the purposes of this schedule, means loans secured wholly or partly against an asset of the company.
- d) Loans considered doubtful and the amount of provision created against such loans shall be disclosed.

Provisions against Non-performing Loans			
	Non-Performing Loans	Loan Amount (Rs. Lakhs)	Provision (Rs. Lakhs)
	Sub-standard		
	Doubtful		
	Loss		
	Total		

SCHEDULE 10

(Amount in Rs. Lakhs)										
Fixed Assets										
Particulars	Cost/ Gross Block				Depreciation				Net Block	
	Opening	Additions	Deductions	Closing	Up to Last Year	For The Period	On Sales/ Adjustments	To Date	Current Year	Previous Year
Goodwill										
Intangibles (specify)										
Land-Freehold										
Leasehold Property										
Buildings										
Furniture & Fittings										
Information Technology Equipment										
Vehicles										
Office Equipment										
Others (Specify nature)										
TOTAL										
Work in progress										
Grand Total										
Previous Year										

Note: Assets included in land, property and building above exclude Investment Properties as defined in note (e) to Schedule 8

SCHEDULE 11			
Cash and Bank Balances		(Amount in Rs. Lakhs)	
	Particulars	Current Year	Previous Year
1	Cash (including cheques ¹ , drafts and stamps)		
2	Bank Balances		
	(a) Deposit Accounts		
	(aa) Short-term (due within 12 months of the date of Balance Sheet)		
	(bb) Others		
	(b) Current Accounts		
	(c) Others (to be specified)		
3	Money at Call and Short Notice		
	(a) With Banks		
	(b) With other Institutions		
4	Others (to be specified)		
	TOTAL		
	Balances with non-scheduled banks included in 2 and 3 above		
	Cash & Bank Balances		
	In India		
	Outside India		
	TOTAL		

¹ Cheques on hand amount to Rs. _____ (in Lakhs)

Corresponding period of Previous year Rs. _____ (in Lakhs)

Note: Bank balance may include remittances in transit. If so, the nature and amount shall be separately stated.

SCHEDULE 12			
Advances and Other Assets		(Amount in Rs. Lakhs)	
	Particulars	Current Year	Previous Year
	Advances		
1	Reserve deposits with ceding companies		
2	Application money for investments		
3	Prepayments		
4	Advances to Directors/Officers		
5	Advance tax paid and taxes deducted at source (Net of provision for taxation)		
6	Goods & Service tax credit		
7	Others (to be specified)		
	TOTAL (A)		

	Other Assets		
1	Income accrued on investments		
2	Outstanding Premiums		
3	Agents' Balances		
4	Foreign Agencies Balances		
5	Due from other entities carrying on insurance business (including reinsurers)		
6	Due from subsidiaries / holding company		
7	Investments held for Unclaimed Amount of Policyholders		
8	Interest on investments held for Unclaimed Amount of Policyholders		
9	Others (to be specified)		
	TOTAL (B)		
	TOTAL (A+B)		

Note:

- (a) The items under the above heads shall not be shown net of provisions for doubtful amounts. The amount of provision against each head should be shown separately.
- (b) The term 'officer' should conform to the definition of that term as given under the Companies Act, 2013
- (c) Sundry debtors will be shown under item 9 (Others)

SCHEDULE 13			
Current Liabilities		(Amount in Rs. Lakhs)	
	Particulars	Current Year	Previous Year
1	Agents' Balances		
2	Balances due to other insurance companies		
3	Deposits held on re-insurance ceded		
4	Premiums received in advance		
5	Unallocated premium		
6	Sundry creditors		
7	Due to subsidiaries/ holding company		
8	Claims Outstanding		
9	Annuities Due		
10	Due to Officers/ Directors		
11	Unclaimed Amount of policyholders		
12	Income accrued on Unclaimed amounts		
13	Interest payable on debentures/bonds		
14	Goods and Service tax Liabilities		

15	Others (to be specified)		
	TOTAL		

Details of Unclaimed Amounts and Investment Income thereon (Amount in Rs. Lakhs)			
	Particulars	Current Year	Previous Year
	Opening Balance as at 1st April		
	Add: Amount transferred to unclaimed amount		
	Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders (To be included only when the cheques are stale)		
	Add: Investment Income on Unclaimed Fund		
	Less: Amount of claims paid during the year		
	Less: Amount transferred to SCWF during the year (net of claims paid in respect of amounts transferred earlier)		
	Closing Balance of Unclaimed Amount as at 31st March		

SCHEDULE 14			
Provisions		(Amount in Rs. Lakhs)	
	Particulars	Current Year	Previous Year
1	For Taxation (less payments and taxes deducted at source)		
2	For Employee Benefits		
3	For Others (To be specified)		
	TOTAL		

SCHEDULE 15			
Miscellaneous Expenditure (To the extent not written off or adjusted)		(Amount in Rs. Lakhs)	
	Particulars	Current Year	Previous Year
1	Discount Allowed in issue of shares/ debentures		

2	Others (to be specified)		
	TOTAL		

Notes.

(a) No item shall be included under the head "Miscellaneous Expenditure" and carried forward unless:

1. some benefit from the expenditure can reasonably be expected to be received

in future, and

2. the amount of such benefit is reasonably determinable.

(b) The amount to be carried forward in respect of any item included under the head "Miscellaneous Expenditure" shall not exceed the expected future revenue/other benefits related to the expenditure.

Part II: Preparation of financial statements, management report of , unless otherwise specified.

1. Applicability

This part of regulations shall be applicable to all the general insurers including health insurers and those insurers engaged exclusively in reinsurance business, unless otherwise specified.

2. Accounting Principles for Preparation of Financial Statements- Every Balance Sheet, Receipts and Payments Account [Cash Flow statement] and Profit and Loss Account [Shareholders' Account] of the insurer shall be in conformity with the Accounting Standards (AS) issued by the ICAI, to the extent applicable to the insurers carrying on general insurance business, except that-

(1) Accounting Standard 3 (AS 3) - Cash Flow Statements - Cash Flow Statement shall be prepared only under the Direct Method.

(2) Accounting Standard 13 (AS 13) - Accounting for Investments, shall not be applicable.

(3) Accounting Standard 17 (AS 17) - Segment Reporting - shall apply to all insurers irrespective of the requirements regarding listing and turnover mentioned therein.

3. Premium –

(1) Premium shall be recognized as income over the contract period or the period of risk, whichever is appropriate.

(2) "Premium received in Advance" is the premium where the period of inception of the risk is outside the accounting period and is to be shown under current liabilities.

(3) "Unallocated premium" includes premium deposit and premium which has been received but for which risk has not commenced. It is to be shown under current liabilities.

4. **Unearned Premium Reserve** - A reserve for unearned premium shall be created as the **amount** representing that part of the premium written which is attributable and allocated to the succeeding accounting periods. Such Reserves shall be computed as under:
- (1) Marine Hull - 100 percent of Net Written Premium during the preceding twelve months;
 - (2) Other Segments - 50 percent of Net Written Premium during the preceding twelve months; or on the basis of proportion of the unexpired period to the total period of the respective policies.

However, Insurers shall follow the method of provisioning of Unearned Premium Reserve in a consistent manner. Any change in the method of provisioning can be done only with the prior written approval of the Competent Authority.

5. **Premium Deficiency.** - Premium deficiency shall be recognised at the insurer level, if the sum of expected claim costs, related expenses and maintenance costs exceeds related reserve for unexpired risks.
6. **Acquisition Costs.** - Acquisition costs, if any, shall be expensed in the period in which they are incurred.

Acquisition costs are those costs that vary with, and are primarily related to, the acquisition of new and renewal insurance contracts. The most essential test is the obligatory relationship between costs and the execution of insurance contracts (i.e. commencement of risk).

7. **Claims.** - The components of the ultimate cost of claims to an insurer comprise the claims **under** policies and specific claims settlement costs. Claims under policies comprise the claims made for losses incurred, and those estimated or anticipated under the policies following a loss occurrence.

A liability for outstanding claims shall be brought to account in respect of both direct business and inward reinsurance business. The liability shall include: -

- (1) Future payments in relation to unpaid reported claims;
- (2) Claims Incurred But Not Reported (IBNR) including inadequate reserves [sometimes referred to as Claims Incurred But Not Enough Reported (IBNER)], which will result in future cash/asset outgo for settling liabilities against those claims. Change in estimated liability represents the difference between the estimated liability for outstanding claims at the beginning and at the end of the financial period.

The accounting estimate shall also include claims cost adjusted for estimated salvage value if there is sufficient degree of certainty of its realisation.

8. **Actuarial Valuation of claim liability - in some cases:** - Claims made in respect of contracts where the claims payment period exceeds four years shall be recognised on an actuarial basis, subject to regulations that may be prescribed by the Authority. In such cases, certificate from a recognised actuary as to the fairness of liability assessment must be obtained. Actuarial assumptions shall be suitably disclosed by way of notes to the account.

9. Procedure to determine the value of investments. - An insurer shall determine the values of investments in the following manner: -

- (1) **Real Estate - Investment Property-** The value of investment property shall be determined at historical cost, subject to revaluation at least once in every three years. The change in the carrying amount of the investment property shall be taken to Revaluation Reserve.

The insurer shall assess at each balance sheet date whether any impairment of the investment property has occurred.

Gains/losses arising due to changes in the carrying amount of real estate shall be taken to equity under 'Revaluation Reserve'. The 'Profit on sale of investments' or 'Loss on sale of investments', as the case may be, shall include accumulated changes in the carrying amount previously recognised in equity under the heading 'Revaluation Reserve' in respect of a particular property and being recycled to the relevant Revenue Account or Profit and Loss Account on sale of that property.

The bases for revaluation shall be disclosed in the notes to accounts.

An impairment loss shall be recognised as an expense in the Revenue/Profit and Loss Account immediately, unless the asset is carried at re-valued amount. Any impairment loss of a re-valued asset shall be treated as a revaluation decrease of that asset and if the impairment loss exceeds the corresponding revaluation reserve, such excess shall be recognised as an expense in the Revenue/Profit and Loss Account.

- (2) **Debt Securities** - Debt securities including government securities and redeemable preference shares shall be considered as "held to maturity" securities and shall be measured at historical cost subject to amortisation.
- (3) **Equity Securities and Derivative Instruments that are traded in active markets.** - Listed equity securities and derivative instruments that are traded in active markets shall be measured at fair value as at the balance sheet date. For the purpose of calculation of fair value, the lowest of the last quoted closing price of the stock exchanges where the securities are listed shall be taken. Measurement for the purpose of calculation of fair value shall be the last quoted closing price on NSE. However, in case of any stock not being listed in NSE, the insurer may value the Equity based on the last quoted closing price in BSE.

The insurer shall assess on each balance sheet date whether any impairment of listed equity security(ies)/derivative(s) instruments has occurred.

An active market shall mean a market, where the securities traded are homogenous, availability of willing buyers and willing sellers is normal and the prices are publicly available.

Unrealised gains/losses arising due to changes in the fair value of listed equity shares and derivative instruments shall be taken to equity under the head "Fair Value Change Account". The "Profit on sale of investments" or "Loss on sale of investments", as the case may be, shall include accumulated changes in the fair value previously recognised in equity under the heading Fair Value Change Account in respect of a particular security and being recycled to Profit and Loss Account on actual sale of that listed security.

For the removal of doubt, it is clarified that balance or any part thereof shall not be available for distribution as dividends. Also, any debit balance in the said Fair Value Change Account shall be reduced from the profits/free reserves while declaring dividends.

The insurer shall assess, at each balance sheet date, whether any impairment has occurred. An impairment loss (i.e. other than temporary diminution in value) shall be recognised as an expense in Revenue/Profit and Loss Account to the extent of the difference between the remeasured fair value of the security/investment and its acquisition cost as reduced by any previous impairment loss recognised as expense in Revenue/Profit and Loss Account. Any reversal of impairment loss, earlier recognised in Revenue/Profit and Loss Account shall be recognised in Revenue/Profit and Loss Account.

Insurer shall disclose its policy on recognition of impairment in notes to account.

- (4) **Unlisted and other than actively traded Equity Securities and Derivative Instruments** - Unlisted equity securities and derivative instruments and listed equity securities and derivative instruments that are not regularly traded in active market will be measured at historical costs. Provision shall be made for diminution in value of such investments. The provision so made shall be reversed in subsequent periods if estimates based on external evidence show an increase in the value of the investment over its carrying amount. The increased carrying amount of the investment due to the reversal of the provision shall not exceed the historical cost.

For the purposes of this regulation, a security shall be considered as being not actively traded, if as per guidelines governing mutual funds laid down from time to time by SEBI, such a security is classified as "thinly traded".

- (5) **Loans.** - Loans shall be measured at historical cost subject to impairment provisions.

The insurer shall assess the quality of its loan assets and shall provide for impairment. The impairment provision shall not be lower than the amounts derived on the basis of guidelines prescribed from time to time by the Reserve Bank of India, that apply to companies and financial institutions.

- (6) **Catastrophe Reserve.** - Catastrophe reserve shall be created in accordance with norms, as specified. Investment of funds out of catastrophe reserve shall be made in accordance with prescriptions, as specified.

10. Disclosures Forming Part of Financial Statements-

- (1) The following shall be disclosed by way of notes to the Balance-Sheet, -
- (i) Contingent Liabilities:
 - (a) Partly-paid up investments
 - (b) Underwriting commitments outstanding
 - (c) Claims, other than those under policies, not acknowledged as debts
 - (d) Guarantees given by or on behalf of the company
 - (e) Statutory demands/liabilities in dispute, not provided for
 - (f) Reinsurance obligations to the extent not provided for in accounts
 - (g) Others (to be specified)
 - (ii) Encumbrances to assets of the company in and outside India.
 - (iii) Commitments made and outstanding for Loans, Investments and Fixed Assets.
 - (iv) Claims, less reinsurance, paid to claimants in/outside India.
 - (v) Actuarial assumptions for determination of claim liabilities in the case of claims where the claims payment period exceeds four years.

- (vi) Ageing of claims - distinguishing between claims outstanding for more than six months and other claims.
 - (vii) Premiums, less reinsurance, written from business in/outside India.
 - (viii) Extent of premium income recognised, based on varying risk pattern, category wise, with basis and justification therefor, including whether reliance has been placed on external evidence.
 - (ix) Value of contracts in relation to investments, for-
 - (a) Purchases where deliveries are pending;
 - (b) Sales where payments are overdue.
 - (x) Operating expenses relating to insurance business: basis of allocation and apportionment of expenditure to various classes of business.
 - (xi) Historical costs of those investments valued on fair value basis.
 - (xii) Computation of managerial remuneration.
 - (xiii) Basis of amortisation of debt securities.
 - (xiv) (a) Unrealised gain/losses arising due to changes in the fair value of listed equity shares and derivative instruments are to be taken to equity under the head "Fair Value Change Account" and on realisation reported in profit and loss Account.
- (b) Pending realisation, the credit balance in the "Fair Value Change Account" is not available for distribution.
- (xv) Fair value of investment property and the basis therefor.
 - (xvi) Claims settled and remaining unpaid for a period of more than six months as on the balance sheet date.
 - (xvii) Provisions made for policy cancellations during free look period in current year and previous year duly certified by the appointed actuary
 - (xviii) Basis of computation of premium deficiency

(2) The following accounting policies shall form an integral part of the financial statements:

- (i) All significant accounting policies in terms of the accounting standards issued by the ICAI, and significant principles and policies given in Part I of Accounting Principles. Any other accounting policies followed by the insurer shall be stated in the manner required under Accounting Standard AS 1 issued by the ICAI.
- (ii) Any departure from the accounting policies as aforesaid shall be separately disclosed with reasons for such departure.

(3) The following information shall also be disclosed: -

- (i) Investments made in accordance with any statutory requirement should be disclosed separately together with its amount, nature, security and any special rights in and outside India;
- (ii) Segregation into performing/non-performing investments for purpose of income recognition as per the directions, if any, issued by the Competent Authority;
- (iii) Percentage of business sector-wise;
- (iv) Basis of allocation of Interest, Dividends and Rent between Revenue Account and Profit and Loss Account.
- (v) Disclosure of policy and principles for provisioning for policy cancellations during free look period, based on assumptions and experience, duly certified by the appointed actuary
- (vi) Any other information as may be specified.

11. GENERAL INSTRUCTIONS FOR PREPARATION OF FINANCIAL STATEMENTS

- (1) The corresponding amounts for the immediately preceding financial year for all items shown in the Balance Sheet, Revenue Account and Profit and Loss Account should be given.
- (2) The figures in the financial statements may be rounded off to the nearest lakhs.
- (3) Interest, dividends and rentals receivable in connection with an investment should be stated as gross value, the amount of income tax deducted at source being included under "advance taxes paid".
- (4) Income from rent shall not include any notional rent.
- (5) For the purposes of financial statements, unless the context otherwise requires, -
 - (i) the expression "provision" shall, subject to note (v) below mean any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets, or retained by way of providing for any known liability or loss of which the amount cannot be determined with substantial accuracy;
 - (ii) the expression "reserve" shall not, subject to as aforesaid, include any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets or retained by way of providing for any known liability;
 - (iii) the expression "capital reserve" shall not include any amount regarded as free for distribution through the profit and loss account; and the expression "revenue reserve" shall mean any reserve other than a capital reserve;
 - (iv) The expression "liability" shall include all liabilities in respect of expenditure contracted for and all disputed or contingent liabilities.
 - (v) Where:
 - (a) any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets, or
 - (b) any amount retained by way of providing for any known liability is in excess of the amount which in the opinion of the directors is reasonably necessary for the purpose, the excess shall be treated for the purposes of these accounts as a reserve and not as a provision.
- (6) The company should make provisions for damages under lawsuits where the management is of the opinion that the award may go against the insurer.
- (7) Extent of risk retained and reinsured shall be separately disclosed.
- (8) Any debit balance of Profit and Loss Account shall be shown as deduction from uncommitted reserves and the balance if any, shall be shown separately.
- (9) All insurers are required to maintain separate investment accounts for the shareholders and the policy holders and the income/ losses accrued / capital gains/losses on the investments is to be credited /debited to the Revenue Account/ Profit & Loss Account, as the case may be.

12. Contents of Management Report-There shall be attached to the financial statements, a management report containing, inter alia, the following duly authenticated by the management:

- (1) Confirmation regarding the continued validity of the registration granted by the Authority;
- (2) Certification that all the dues payable to the statutory authorities have been duly paid;
- (3) Confirmation to the effect that the shareholding pattern and any transfer of shares during the year are in accordance with the statutory or regulatory requirements;
- (4) Declaration that the management has not directly or indirectly invested outside India the funds of the holders of policies issued in India;
- (5) Confirmation that the required solvency margins have been maintained;
- (6) Certification to the effect that the values of all the assets have been reviewed on the date of the Balance Sheet and that in his (insurer's) belief the assets set forth in the Balance-sheets are shown in the aggregate at amounts not exceeding their realisable

- or market value under the several headings - "Loans", "Investments", "Agents balances", "Outstanding Premiums", "Interest, Dividends and Rents outstanding", "Interest, Dividends and Rents accruing but not due", "Amounts due from other persons or Bodies carrying on insurance business", " Sundry Debtors", "Bills Receivable", "Cash" and the several items specified under "Other Accounts";
- (7) Disclosure with regard to the overall risk exposure and strategy adopted to mitigate the same;
 - (8) Operations in other countries, if any, with a separate statement giving the management's estimate of country risk and exposure risk and the hedging strategy adopted;
 - (9) Ageing of claims indicating the trends in average claim settlement time during the preceding five years;
 - (10) Certification to the effect as to how the values, as shown in the balance sheet, of the investments and stocks and shares have been arrived at, and how the market value thereof has been ascertained for the purpose of comparison with the values so shown;
 - (11) Review of asset quality and performance of investment in terms of portfolios, i.e., separately in terms of real estate, loans, investments, etc.
 - (12) A responsibility statement indicating therein that-
 - (i) in the preparation of financial statements, the applicable accounting standards, principles and policies have been followed along with proper explanations relating to material departures, if any;
 - (ii) the management has adopted accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the operating profit or loss and of the profit or loss of the company for the year;
 - (iii) the management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act 1938 (4 of 1938)/Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
 - (iv) the management has prepared the financial statements on a going concern basis;
 - (v) the management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.
 - (13) A schedule of payments, which have been made to individuals, firms, companies and organizations in which Directors of the insurer are interested.
 - (14) Confirmation of compliance with domestic, statutory, regulatory and other laws in the countries in relation to subsidiaries, associates, joint ventures and other arrangements.
 - (15) Any other information as may be specified.

13. Preparation of Financial Statements

- (1) An insurer shall prepare the Revenue Account, Profit and Loss Account [Shareholders' Account] and the Balance Sheet in Form B-RA, Form B-PL, and Form B-BS, or as near thereto as the circumstances permit.

In addition, in respect of miscellaneous business, separate Schedules shall be furnished for the following at the minimum:

- (i) Under Motor:- sub-segments (a) Motor Own Damage and (b) Motor TP,
- (ii) Under Health:- sub-segments (a) Health , (b) Personal Accident and (c) Travel,
- (iii) Workmen's Compensation/ Employer's liability,
- (iv) Public/ Product Liability,
- (v) Engineering,
- (vi) Aviation,

- (vii) Crop,
(viii) Any other sub-segment contributing more than 10% of the total gross direct premium of the insurer shall be shown separately.
(ix) Others.
(x) Any other segment as may be specified.
- (2) Segments to be reported on the basis of line of business, and on the basis of business within and outside India. While giving the segment details previous year's figures should also be given for all the segments.
- (3) An insurer shall prepare separate Receipts and Payments Account in accordance with the Direct Method prescribed in AS 3 - "Cash Flow Statement" issued by the ICAI.

FORM B-RA				
Name of the Insurer: _____				
Registration No. _____ and Date of Registration with the IRDAI _____				
Revenue Account for Fire Segment for the year ended 31st march, 20.... (Amount in Rs. Lakhs)				
	Particulars	Schedule Ref.	Current Year	Previous Year
1	Premiums earned (Net)	1		
2	Profit/ Loss on sale/ redemption of Investments			
3	Interest, Dividend & Rent – Gross Note 1			
4	Other			
	(a) Other Income (to be specified) (i) (ii).....			
	(b) Contribution from the Shareholders' Account (i) Towards Excess Expenses of Management ¹ (ii) Towards remuneration of MD/CEO/WTD/Other KMPs ² (iii) Others (please specify)			
	TOTAL (A)			
6	Claims Incurred (Net)	2		
7	Commission	3		
8	Operating Expenses related to Insurance Business	4		
	TOTAL (B)			
9	Operating Profit/(Loss) C= (A - B)			
10	Appropriations			

	Transfer to Shareholders' Account			
	Transfer to Catastrophe Reserve			
	Transfer to Other Reserves (to be specified)			
	TOTAL (C)			

¹ In case expenses of management exceeds the limits prescribed by the Regulations,

² In case annual remuneration exceeds the specified limit,

Notes:- (a) See notes appended at the end of FORM B-PL

Note - 1

<u>Pertaining to Policyholder's funds</u>	(Amount in Rs. Lakhs)	
	Current Year	Previous Year
Interest, Dividend & Rent		
<u>Add/Less:-</u>		
Investment Expenses		
Amortisation of Premium/ Discount on Investments		
Amount written off in respect of depreciated investments		
Provision for Bad and Doubtful Debts		
Provision for diminution in the value of other than actively traded Equities		
Investment income from Pool		
Interest, Dividend & Rent – Gross*		

* Term gross implies inclusive of TDS

FORM B-RA				
Name of the Insurer: _____				
Registration No. _____ and Date of Registration with the IRDAI _____				
Revenue Account for Marine segment for the year ended 31st march, 20.... (Amount in Rs. Lakhs)				
	Particulars	Schedule Ref.	Current Year	Previous Year
1	Premiums earned (Net)	1		
2	Profit/ Loss on sale/ redemption of Investments			

3	Interest, Dividend & Rent – Gross Note 1			
4	Other			
	(a) Other Income (to be specified) (i) (ii).....			
	(b) Contribution from the Shareholders' Account (i) Towards Excess Expenses of Management ¹ (ii) Towards remuneration of MD/CEO/WTD/Other KMPs ² (iii) Others (please specify)			
	TOTAL (A)			
6	Claims Incurred (Net)	2		
7	Commission	3		
8	Operating Expenses related to Insurance Business	4		
	TOTAL (B)			
9	Operating Profit/(Loss) C= (A - B)			
10	Appropriations			
	Transfer to Shareholders' Account			
	Transfer to Catastrophe Reserve			
	Transfer to Other Reserves (to be specified)			
	TOTAL (C)			

Notes:- (a) See notes appended at the end of FORM B-PL

¹ In case expenses of management exceeds the limits prescribed by the Regulations,

² In case annual remuneration exceeds the specified limit,

Note - 1

<u>Pertaining to Policyholder's funds</u>	(Amount in Rs. Lakhs)	
	Current Year	Previous Year
Interest, Dividend & Rent		
Add/Less:-		
Investment Expenses		
Amortisation of Premium/ Discount on Investments		

Amount written off in respect of depreciated investments		
Provision for Bad and Doubtful Debts		
Provision for diminution in the value of other than actively traded Equities		
Investment income from Pool		
Interest, Dividend & Rent – Gross*		

* Term gross implies inclusive of TDS

FORM B-RA				
Name of the Insurer: _____				
Registration No. _____ and Date of Registration with the IRDAI _____				
Revenue Account for Miscellaneous segment for the year ended 31st march, 20.... (Amount in Rs. Lakhs)				
	Particulars	Schedule Ref.	Current Year	Previous Year
1	Premiums earned (Net)	1		
2	Profit/ Loss on sale/ redemption of Investments			
3	Interest, Dividend & Rent – Gross Note 1			
4	Other			
	(a) Other Income (to be specified)			
	(i)			
	(ii).....			
	(b) Contribution from the Shareholders' Account			
	(i) Towards Excess Expenses of Management ¹			
	(ii) Towards remuneration of MD/CEO/WTD/Other KMPs ²			
	(iii) Others (please specify)			
	TOTAL (A)			
6	Claims Incurred (Net)	2		
7	Commission	3		
8	Operating Expenses related to Insurance Business	4		
	TOTAL (B)			

9	Operating Profit/(Loss) C= (A - B)			
10	Appropriations			
	Transfer to Shareholders' Account			
	Transfer to Catastrophe Reserve			
	Transfer to Other Reserves (to be specified)			
	TOTAL (C)			

Notes:- (a) See notes appended at the end of FORM B-PL

¹ In case expenses of management exceeds the limits prescribed by the Regulations,

² In case annual remuneration exceeds the specified limit,

Note - 1

<u>Pertaining to Policyholder's funds</u>	(Amount in Rs. Lakhs)	
	Current Year	Previous Year
Interest, Dividend & Rent		
Add/Less:-		
Investment Expenses		
Amortisation of Premium/ Discount on Investments		
Amount written off in respect of depreciated investments		
Provision for Bad and Doubtful Debts		
Provision for diminution in the value of other than actively traded Equities		
Investment income from Pool		
Interest, Dividend & Rent – Gross*		

* Term gross implies inclusive of TDS

FORM B-RA				
Name of the Insurer: _____				
Registration No. _____ and Date of Registration with the IRDAI _____				
Revenue Account for the company (total) the year ended 31st march, 20.... (Amount in Rs. Lakhs)				
	Particulars	Schedule Ref.	Current Year	Previous Year
1	Premiums earned (Net)	1		
2	Profit/ Loss on sale/ redemption of Investments			

3	Interest, Dividend & Rent – Gross Note 1			
4	Other			
	(a) Other Income (to be specified) (i) (ii).....			
	(b) Contribution from the Shareholders' Account (i) Towards Excess Expenses of Management ¹ (ii) Towards remuneration of MD/CEO/WTD/Other KMPs ² (iii) Others (please specify)			
	TOTAL (A)			
6	Claims Incurred (Net)	2		
7	Commission	3		
8	Operating Expenses related to Insurance Business	4		
9	Premium Deficiency			
	TOTAL (B)			
10	Operating Profit/(Loss) C= (A - B)			
11	Appropriations			
	Transfer to Shareholders' Account			
	Transfer to Catastrophe Reserve			
	Transfer to Other Reserves (to be specified)			
	TOTAL (C)			

Notes:- (a) See notes appended at the end of FORM B-PL

¹ In case expenses of management exceeds the limits prescribed by the Regulations,

² In case annual remuneration exceeds the specified limit,

Note - 1

<u>Pertaining to Policyholder's funds</u>	(Amount in Rs. Lakhs)	
	Current Year	Previous Year
Interest, Dividend & Rent		
Add/Less:-		
Investment Expenses		
Amortisation of Premium/ Discount on Investments		

Amount written off in respect of depreciated investments		
Provision for Bad and Doubtful Debts		
Provision for diminution in the value of other than actively traded Equities		
Investment income from Pool		
Interest, Dividend & Rent – Gross*		

* Term gross implies inclusive of TDS

FORM B-PL				
Name of the Insurer: _____				
Registration No. _____ and Date of Registration with the IRDAI _____				
Profit and Loss Account for the year ended 31st march, 20.....				
(Amount in Rs. Lakhs)				
	Particulars	Schedule Ref.	Current Year	Previous Year
1	Operating Profit/(Loss)			
	(a) Fire Insurance			
	(b) Marine Insurance			
	(c) Miscellaneous Insurance			
2	Income From Investments			
	(a) Interest, Dividend & Rent – Gross			
	(b) Profit on sale of investments			
	(c) (Loss on sale/ redemption of investments)			
	(d) Amortization of Premium / Discount on Investments			
3	Other Income (To be specified)			
	TOTAL (A)			
4	Provisions (Other than taxation)			
	(a) For diminution in the value of investments			
	(b) For doubtful debts			
	(c) Others (to be specified)			
5	Other Expenses			
	(a) Expenses other than those related to Insurance Business			
	(b) Bad debts written off			
	(c) Interest on subordinated debt			
	(d) Expenses towards CSR activities			
	(e) Penalties			

	(f) Contribution to Policyholders' A/c (i) Towards Excess Expenses of Management ¹ (ii) Towards remuneration of MD/CEO/WTD/Other KMPs ² (iii) Others (please specify)			
	(g) Others (Please specify) (i) _____ (ii) _____			
	TOTAL (B)			
6	Profit/(Loss) Before Tax			
7	Provision for Taxation			
8	Profit / (Loss) after tax			
9	Appropriations			
	(a) Interim dividends paid during the year			
	(b) Final dividend paid			
	(c) Transfer to any Reserves or Other Accounts (to be specified)			
	Balance of profit/ loss brought forward from last year			
	Balance carried forward to Balance Sheet			

¹ In case expenses of management exceeds the limits prescribed by the Regulations,

² In case annual remuneration exceeds the specified limit,

Notes to Form B-RA and B- PL

- (a) Items of income in excess of one percent of the total premiums (less reinsurance) or Rs.5,00,000 whichever is higher, shall be shown as a separate line item.
- (b) Under the sub-head "Others" items like foreign exchange gains or losses and other items shall be included
- (c) Interest, dividends and rentals receivable in connection with an investment should be stated as gross amount, the amount of income tax deducted at source being included under 'advance taxes paid and taxes deducted at source". The expenses pertaining to investment income e.g. Amortisation, Write off, other Investments expenses etc. are to be deducted from this other than separately disclosed here.
- (d) Income from rent shall include only the realized rent. It shall not include any notional rent.

FORM B-BS
Name of the Insurer: _____
Registration No. _____ and Date of Registration with the IRDAI _____

Balance sheet as at 31st march, 20....			
(Amount in Rs. Lakhs)			
Particulars	Schedule Ref.	Current Year	Previous Year
Sources of Funds			
Share capital	5		
Share application money pending allotment			
Reserves and surplus	6		
Head office account*	6A		
Fair value change account			
-Shareholders' Funds			
-Policyholders' Funds			
Borrowings	7		
TOTAL			
Application of Funds			
Investments-Shareholders	8		
Investments-Policyholders	8A		
Loans	9		
Fixed assets	10		
Deferred tax asset (net)			
Current Assets			
Cash and Bank Balances	11		
Advances and Other Assets	12		
Sub-Total (A)			
Deferred Tax Liability (Net)			
Current Liabilities	13		
Provisions	14		
Sub-Total (B)			
Net Current Assets (C) = (A - B)			
Miscellaneous Expenditure (to the extent not written off or adjusted)	15		
Debit Balance In Profit And Loss Account			
TOTAL			

* in case of branches of foreign re-insurers and Lloyd's India only

Contingent liabilities

(Amount in Rs. Lakhs)

Particulars	Current Year	Previous Year
1. Partly paid-up investments		
2. Claims, other than against policies, not acknowledged as debts by the company		
3. Underwriting commitments outstanding (in respect of shares and securities)		
4. Guarantees given by or on behalf of the Company		
5. Statutory demands/ liabilities in dispute, not provided for		
6. Reinsurance obligations to the extent not provided for in accounts		
7 .Others (to be specified) (a). _____ (b). _____		
TOTAL		

Note:

- (a) Underwriting commitments outstanding- Commitments to underwrite the subscription to a new issue of shares, but the liability for which is contingent upon the issue not being fully subscribed. It is, however, clarified that insurers are presently not permitted to underwrite issues.
- (b) Re-insurance obligations - it includes obligations under reinsurance contracts with the insurer in respect of which, there are subsisting obligations as at the balance sheet date but for valid reasons, the insurer has not made any provision.

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE 1		
Premium Earned [Net]	(Amount in Rs. Lakhs)	
Particulars	Current Year	Previous Year
Gross Direct Premium		
Add: Premium on reinsurance accepted ^(a)		
Less : Premium on reinsurance ceded ^(a)		
Net Written Premium / Net Premium Income		
Add: Opening balance of Unearned Premium Reserve (UPR)		
Less: Closing balance of Unearned Premium Reserve (UPR)		
Net Earned Premium		

Gross Direct Premium		
- In India		
- Outside India		

Notes:

- (a) Reinsurance premiums whether on business ceded or accepted are to be brought into account, before deducting commission, under the head of reinsurance premiums.
- (b) Separate disclosure to be made for segment/sub-segment which contributes more than 10 percent of the total gross direct premium
- (c) Premium to be reported excluding Goods & service tax.

SCHEDULE 2		
Claims Incurred [Net]	(Amount in Rs. Lakhs)	
Particulars	Current Year	Previous Year
Claims Paid (Direct)		
Add :Re-insurance accepted to direct claims		
Less :Re-insurance Ceded to claims paid		
Net Claim Paid		
Add Claims Outstanding at the end of the year		
Less: Claims Outstanding at the beginning of the year		
Net Incurred Claims		
Claims Paid (Direct)		
-In India		
-Outside India		
Estimates of IBNR and IBNER at the end of the period (net)		
Estimates of IBNR and IBNER at the beginning of the period (net)		

Notes:

- a) Incurred But Not Reported (IBNR), Incurred but not enough reported [IBNER] claims should be included in the amount for outstanding claims.
 b) Claims includes specific claims settlement cost but not expenses of management
 c) The surveyor fees, legal and other expenses shall also form part of claims cost, wherever applicable.
 d) Claims cost should be adjusted for estimated salvage value if there is a sufficient certainty of its realization.
 e) Separate disclosure to be made for segment/sub-segment which contributes more than 10 percent of the total gross direct premium

SCHEDULE 3		
Commission	(Amount in Rs. Lakhs)	
Particulars	Current Year	Previous Year
Gross Commission		
Add: Commission on Re-insurance Accepted		
Less: Commission on Re-insurance Ceded		
Net Commission		
Break-up of the expenses (Gross) incurred to procure business to be furnished as per details indicated below:		
Individual Agents		
Corporate Agents-Banks/FII/HFC		
Corporate Agents-Others		
Insurance Brokers		
Direct Business - Online ^c		
MISP (Direct)		
Web Aggregators		
Insurance Marketing Firm		
Common Service Centers		
Micro Agents		
Point of Sales (Direct)		
Other (to be specified)		
TOTAL		
Commission and Rewards on (Excluding Reinsurance) Business written :		
In India		
Outside India		

Notes:

- (a) The profit /commission, if any, are to be combined with the Re-insurance accepted or Re-insurance ceded figures.
 (b) Separate disclosure to be made for segment/sub-segment which contributes more than 10 percent of the total gross direct premium
 (c) Commission on Business procured through Company website

SCHEDULE 4			
Operating expenses related to insurance business		(Amount in Rs. Lakhs)	
	Particulars	Current Year	Previous Year
1	Employees' remuneration & welfare benefits		
2	Travel, conveyance and vehicle running expenses		
3	Training expenses		
4	Rents, rates & taxes		
5	Repairs		
6	Printing & stationery		
7	Communication expenses		
8	Legal & professional charges		
9	Auditors' fees, expenses etc.		
	(a) as auditor		
	(b) as adviser or in any other capacity, in respect of		
	(i) Taxation matters		
	(ii) Insurance matters		
	(iii) Management services; and		
	(c) in any other capacity		
10	Advertisement and publicity		
11	Interest & Bank Charges		
12	Depreciation		
13	Brand/Trade Mark usage fee/charges		
14	Business Development and Sales Promotion Expenses		
15	Information Technology Expenses		
16	Goods and Services Tax (GST)		
17	Others (to be specified) ^a		
	TOTAL		
	In India		
	Outside India		

Notes:

(a) Items of expenses in excess of one percent of the total premiums (less reinsurance) or Rs.5,00,000 whichever is higher, shall be shown as a separate line item.

(b) Separate disclosure to be made for segment/sub-segment which contributes more than 10 percent of the total gross direct premium

(c) Expenses paid for various outsourcing activities/arrangements are to be booked under relevant line item on the basis of nature of services availed and not to be shown as "Outsourcing Expense"

SCHEDULE 5			
Share Capital		(Amount in Rs. Lakhs)	
	Particulars	Current Year	Previous Year
1	Authorised Capital		
	Equity Shares of Rs..... each		
	Preference Shares of Rs..... each		
2	Issued Capital		
	Equity Shares of Rs.each		
	Preference Shares of Rs..... each		
3	Subscribed Capital		
	Equity Shares of Rs.....each		
	Preference Shares of Rs..... each		
4	Called-up Capital		
	Equity Shares of Rs.each		
	Less : Calls unpaid		
	Add : Equity Shares forfeited (Amount originally paid up)		
	Less : Par Value of Equity Shares bought back		
	Less : Preliminary Expenses		
	Expenses including commission or brokerage on		
	Underwriting or subscription of shares		
	Preference Shares of Rs..... each		
5	Paid-up Capital		
	Equity Shares of Rs.each		
	Preference Shares of Rs. Each		

Notes:

(a) Particulars of the different classes of capital should be separately stated.

(b) The amount capitalised on account of issue of bonus shares should be disclosed.

(c) In case any part of the capital is held by a holding company, the same should be separately disclosed.

SCHEDULE 5A				
Pattern of Shareholding				
[As certified by the Management]				
Shareholder	Current Year		Previous Year	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
· Indian				
· Foreign				
Investors ¹				
· Indian				
· Foreign				
Others ²				
· Indian				
· Foreign				
TOTAL				

¹ Investors as defined under relevant regulations

² Others may include ESOPs

SCHEDULE 6			
Reserves and Surplus		(Amount in Rs. Lakhs)	
	Particulars	Current Year	Previous Year
1	Capital Reserve		
2	Capital Redemption Reserve		
3	Share Premium		
4	Revaluation Reserve		
5	General Reserves		
	Less: Amount utilized for Buy-back		
	Less: Amount utilized for issue of Bonus shares		
6	Catastrophe Reserve		
7	Other Reserves (to be specified)		
8	Balance of Profit in Profit & Loss Account		
	TOTAL		

Notes:

- (a) Additions to and deductions from the reserves should be disclosed under each of the specified heads.

SCHEDULE 6A			
Head Office Account Schedule			
	Particulars	Current Year	Previous Year
	Opening Balance of Assigned capital		
	Add: Addition during the year		
	Closing Balance of Assigned Capital*		
	TOTAL		

Note: *Represents irreversible fixed amount funded by Head Office as per terms of registration and no amount/balance shall be transferred out of the Country without approval of the Competent Authority.

SCHEDULE 7			
Borrowings Lakhs)		(Amount in Rs.)	
	Particulars	Current Year	Previous Year
1	Debentures/ Bonds		
2	Banks		
3	Financial Institutions		
4	Others (to be specified)		
	TOTAL		

Notes:

- The extent to which the borrowings are secured shall be separately disclosed stating the nature of the security under each sub-head.
- Amounts due within 12 months from the date of Balance Sheet should be shown separately
- Debentures include NCDs issued as per relevant regulations.

Disclosure For Secured Borrowings (Refer Note a)

(Amount in Rs. Lakhs)

Sl. No.	Source / instrument	Amount borrowed	Amount of security	Nature of security
1				
2				
3				
4				
5				

SCHEDULE 8 AND 8A							
Investment schedule						(Amount in Rs. Lakhs)	
	Particulars	SCH-8		SCH-8A		Total	
		Shareholders		Policyholders			
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
	Long Term Investments						
1	Government securities and Government guaranteed bonds including Treasury Bills						
2	Other Approved Securities						
3	Other Investments						
	(a) Shares						
	(aa) Equity						
	(bb) Preference						
	(b) Mutual Funds						
	(c) Derivative Instruments						
	(d) Debentures/ Bonds						
	(e) Other Securities (to be specified)						
	(f) Subsidiaries						
	(g) Investment Properties-Real Estate						
4	Investments in Infrastructure and Housing						

5	Other than Approved Investments						
	Short Term Investments						
1	Government securities and Government guaranteed bonds including Treasury Bills						
2	Other Approved Securities						
3	Other Investments						
	(a) Shares						
	(aa) Equity						
	(bb) Preference						
	(b) Mutual Funds						
	(c) Derivative Instruments						
	(d) Debentures/Bonds						
	(e) Other Securities (to be specified)						
	(f) Subsidiaries						
	(g) Investment Properties-Real Estate						
4	Investments in Infrastructure and Housing						
5	Other than Approved Investments						
	TOTAL						
	GRNAD TOTAL						

Notes:

(a) Investments in subsidiary/holding companies, joint ventures and associates shall be separately disclosed, at cost.

- (i) Holding company and subsidiary shall be construed as defined in the Company Act 2013:
- (ii) Joint Venture is a contractual arrangement whereby two or more parties undertake an economic activity, which is subject to joint control.
- (iii) Joint control is the contractually agreed sharing of power to govern the financial and operating policies of an economic activity to obtain benefits from it.

- (iv) Associate is an enterprise in which the company has significant influence and which is neither a subsidiary nor a joint venture of the company.
- (v) Significant influence (for the purpose of this schedule) - means participation in the financial and operating policy decisions of a company, but not control of those policies. Significant influence may be exercised in several ways, for example, by representation on the board of directors, participation in the policymaking process, material inter-company transactions, interchange of managerial personnel or dependence on technical information. Significant influence may be gained by share ownership, statute or agreement. As regards share ownership, if an investor holds, directly or indirectly through subsidiaries, 20 percent or more of the voting power of the investee, it is presumed that the investor does have significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the investor holds, directly or indirectly through subsidiaries, less than 20 percent of the voting power of the investee, it is presumed that the investor does not have significant influence, unless such influence is clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an investor from having significant influence.

- (b) Investments made out of Catastrophe reserve should be shown separately.
- (c) Debt securities will be considered as “held to maturity” securities and will be measured at historical cost subject to amortisation.
- (d) Investment Property means a property [land or building or part of a building or both] held to earn rental income or for capital appreciation or for both, rather than for use in services or for administrative purposes.
- (e) Investments maturing within twelve months from balance sheet date and investments made with the specific intention to dispose of within twelve months from balance sheet date shall be classified as short-term investments
- (f) Investment Regulations, as amended from time to time, to be referred
- (g) Aggregate amount of company's investments other than listed equity securities and derivative instruments and also the market value thereof shall be disclosed as specified below

Aggregate value of Investments other than Listed Equity Securities and Derivative Instruments
(Amount in Rs. Lakhs)

<u>Particulars</u>	Shareholders		Policyholders		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<u>Long Term Investments--</u>						
Book Value						
market Value						

Short Term Investments--						
Book Value						
market Value						

SCHEDULE 9			
Loans		(Amount in Rs. Lakhs)	
	Particulars	Current Year	Previous Year
1	Security-Wise Classification		
	Secured		
	(a) On mortgage of property		
	(aa) In India		
	(bb) Outside India		
	(b) On Shares, Bonds, Govt. Securities		
	(c) Others (to be specified)		
	Unsecured		
	TOTAL		
2	Borrower-Wise Classification		
	(a) Central and State Governments		
	(b) Banks and Financial Institutions		
	(c) Subsidiaries		
	(d) Industrial Undertakings		
	(e) Companies		
	(f) Others (to be specified)		
	TOTAL		
3	Performance-Wise Classification		
	(a) Loans classified as standard		
	(aa) In India		
	(bb) Outside India		
	(b) Non-performing loans less provisions		
	(aa) In India		
	(bb) Outside India		
	TOTAL		
4	Maturity-Wise Classification		
	(a) Short Term		
	(b) Long Term		
	TOTAL		

Notes:

- (a) Short-term loans shall include those, which are repayable within 12 months from the date of balance sheet. Long term loans shall be the loans other than short-term loans.

- (b) The nature of the security in case of all long term secured loans shall be specified in each case. Secured loans for the purposes of this schedule, means loans secured wholly or partly against an asset of the company.
- (c) Loans considered doubtful and the amount of provision created against such loans shall be disclosed.
- (d) Provisions against non-performing loans shall be shown as below:

Provisions against Non-performing Loans (Amount in Rs. Lakhs)			
	Non-Performing Loans	Loan Amount	Provision
	Sub-standard		
	Doubtful		
	Loss		
	Total		

SCHEDULE 10

Fixed assets										
(Amount in Rs. Lakhs)										
Particulars	Cost/ Gross Block				Depreciation				Net Block	
	Opening	Additions	Deductions	Closing	Up to Last Year	For The Period	On Sales/ Adjustments	To Date	Current Year	Previous Year
Goodwill										
Intangibles (specify)										
Land-Freehold										
Leasehold Property										
Buildings										
Furniture & Fittings										
Information Technology Equipment										
Vehicles										
Office Equipment										
Others (Specify nature)										
TOTAL										
Work in progress										
Grand Total										
PREVIOUS YEAR										
Note:										
(a) Assets included in land, property and building above exclude Investment Properties as defined in note (e) to Schedule 8 Investment Schedule.										

SCHEDULE 11			
Cash and Bank Balances		(Amount in Rs. Lakhs)	
	Particulars	Current Year	Previous Year
1	Cash (including cheques *, drafts and stamps)		
2	Bank Balances		
	(a) Deposit Accounts		
	(aa) Short-term (due within 12 months)		
	(bb) Others		
	(b) Current Accounts		
	(c) Others (to be specified)		
3	Money at Call and Short Notice		
	(a) With Banks		
	(b) With other Institutions		
4	Others (to be specified)		
	TOTAL		
	Balances with non-scheduled banks included in 2 and 3 above		
	CASH & BANK BALANCES		
	In India		
	Outside India		

* Cheques on hand amount to Rs. _____ (in Lakh) Previous Year : Rs. _____ (in Lakh)

Note

(a) Bank balance may include remittances in transit. If so, the nature and amount should be separately stated.

SCHEDULE 12			
Advances and other assets		(Amount in Rs. Lakhs)	
	Particulars	Current Year	Previous Year
	Advances		
1	Reserve deposits with ceding companies		
2	Application money for investments		
3	Prepayments		
4	Advances to Directors/Officers		
5	Advance tax paid and taxes deducted at source (Net of provision for taxation)		
6.	Goods & Service tax credit		

7.	Others (to be specified) (i) _____ (ii) _____		
	TOTAL (A)		
	Other Assets		
1	Income accrued on investments		
2	Outstanding Premiums		
	Less : Provisions for doubtful ,if any		
3	Agents' Balances		
4	Foreign Agencies Balances		
5	Due from other entities carrying on insurance business (including reinsurers)		
	Less : Provisions for doubtful, if any		
6	Due from subsidiaries/ holding		
7	Investments held for Unclaimed Amount of Policyholders		
8	Interest on investments held for Unclaimed Amount of Policyholders		
9	Others (to be specified) (i) _____ (ii) _____		
10	Current Account of Head Office*		
	TOTAL (B)		
	TOTAL (A+B)		

* in case of branches of foreign re-insurers and Lloyd's India only

Notes:

- The items under the above heads shall not be shown net of provisions for doubtful amounts. The amount of provision against each head should be shown separately.
- The term 'officer' should conform to the definition of that term as given under the Companies Act.

SCHEDULE 13			
Current liabilities		(Amount in Rs. Lakhs)	
	Particulars	Current Year	Previous Year
1	Agents' Balances		
2	Balances due to other insurance companies		
3	Deposits held on re-insurance ceded		
4	Premiums received in advance		

	(a) For Long term policies ^(a)		
	(b) for Other Policies		
5	Unallocated Premium		
6	Sundry creditors		
7	Due to subsidiaries/ holding company		
8	Claims Outstanding		
9	Due to Officers/ Directors		
10	Unclaimed Amount of policyholders		
11	Income accrued on Unclaimed amounts		
12	Interest payable on debentures/bonds		
13	Goods and Service tax Liabilities		
14	Others (to be specified) (i) _____ (ii) _____		
15	Current Account of Head Office*		
	TOTAL		

* in case of branches of foreign re-insurers and Lloyd's India only

Note :

- (a) Long term policies are policies with more than one year tenure
(b) Details of unclaimed amounts and Investment Income to be submitted as below

Details of unclaimed amounts and Investment Income thereon (Amount in Rs. Lakhs)		
Particulars	Current Year	Previous Year
Opening Balance		
Add: Amount transferred to unclaimed amount		
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders (To be included only when the cheques are stale)		
Add: Investment Income		
Less: Amount paid during the year		
Less: Transferred to SCWF		
Closing Balance of Unclaimed Amount		

SCHEDULE 14	
Provisions	(Amount in Rs. Lakhs)

	Particulars	Current Year	Previous Year
1	Reserve for unearned premium reserve		
2	Reserve for Premium Deficiency		
3	For taxation (less advance tax paid and taxes deducted at source)		
4	For Employee Benefits		
4	Others (to be specified)		
	(a) _____		
	(b) _____		
	TOTAL		

SCHEDULE 15			
Miscellaneous Expenditure (To the extent not written off or adjusted)		(Amount in Rs. Lakhs)	
	Particulars	Current Year	Previous Year
1	Discount Allowed in issue of shares/ debentures		
2	Others (to be specified)		
	TOTAL		

Notes:

- (a) No item shall be included under the head "Miscellaneous Expenditure" and carried forward unless:
1. some benefit from the expenditure can reasonably be expected to be received in future, and
 2. the amount of such benefit is reasonably determinable.
- (b) The amount to be carried forward in respect of any item included under the head "Miscellaneous Expenditure" shall not exceed the expected future revenue/other benefits related to the expenditure.

Part III: AUDITOR'S REPORT

The report of the auditors on the financial statements of every insurer shall deal with the matters specified herein:

1.
 - (1) That they have obtained all the information and explanations which, to the best of their knowledge and belief were necessary for the purposes of their audit and whether they have found them satisfactory;
 - (2) Whether proper books of account have been maintained by the insurer so far as appears from an examination of those books;
 - (3) Whether proper returns, audited or unaudited, from branches and other offices have been received and whether they were adequate for the purpose of audit;
 - (4) Whether the Balance sheet, Revenue account, Profit and Loss account and the Receipts and Payments Account dealt with by the report are in agreement with the books of account and returns;
 - (5) Whether the actuarial valuation of liabilities is duly certified by the appointed actuary including to the effect that the assumptions for such valuation are in accordance with the guidelines and norms, if any, issued.
2. The auditors shall express their opinion on:

- (1)
 - (i) Whether the balance sheet gives a true and fair view of the insurer's affairs as at the end of the financial year/period;
 - (ii) Whether the revenue account gives a true and fair view of the surplus or the deficit for the financial year/period;
 - (iii) Whether the profit and loss account gives a true and fair view of the profit or loss for the financial year/period;
 - (iv) Whether the receipts and payments account gives a true and fair view of the receipts and payments for the financial year/period;
 - (2) The financial statements stated at (a) above are prepared in accordance with the requirements of the Insurance Act, 1938 (4 of 1938), the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999) and the Companies Act, 2013, to the extent applicable and in the manner so required.
 - (3) Investments have been valued in accordance with the provisions of the Act and these Regulations.
 - (4) The accounting policies selected by the insurer are appropriate and are in compliance with the applicable accounting standards and with the accounting principles, as prescribed in these Regulations or any order or direction issued in this behalf.
3. The auditors shall further certify that:
- (1) they have reviewed the management report and there is no apparent mistake or material inconsistencies with the financial statements;
 - (2) the insurer has complied with the terms and conditions of the registration stipulated by the Authority.
4. A certificate signed by the auditors [which shall be in addition to any other certificate or report which is required by law to be given with respect to the balance sheet] certifying that-
- (1) they have verified the cash balances and the securities relating to the insurer's loans, reversions and life interests (in the case of life insurers) and investments;
 - (2) to what extent, if any, they have verified the investments and transactions relating to any trusts undertaken by the insurer as trustee; and
 - (3) no part of the assets of the policyholders' funds has been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 (4 of 1938) relating to the application and investments of the policyholders' funds.

Schedule III - Investment Functions

Regulation 6(3) of IRDAI (Actuarial, Finance and Investment) Regulations, 2024

Part-I

1. Definitions.

- (1) **"Approved Investments"** means Investments made as per clause 2(1) and 2 (2) of the Schedule III of IRDAI (Actuarial, Finance and Investment) Regulation, 2024.
- (2) **"Assets"** means assets in India, held by an Insurer in accordance with the provisions of Section 31 of the Act.
- (3) **"Financial Derivatives"** means a derivative as defined under clause (ac) of section 2 of the Securities Contracts (Regulation) Act, 1956, and includes a contract which derives its value from interest rates of underlying debt securities and such other derivative contracts as may be stipulated by the Competent Authority, from time to time.
- (4) **"Group"** means: two or more individuals, association of individuals, firms, trusts, trustees or bodies corporate, or any combination thereof, which exercises, or is established to be in a position to exercise, significant influence and / or control, directly or indirectly, over any associate as defined in Accounting Standard (AS), body corporate, firm or trust, or use of common brand names, Associated persons, as may be stipulated by the Competent Authority, from time to time, by issuance of guidelines under these regulations.

Explanation: Use of common brand names in conjunction with other parameters of significant influence and / or control, whether direct or indirect shall be reckoned for determination for inclusion as forming part of the group or otherwise.
- (5) **"Housing Finance Company"** shall have the meaning assigned to it by the RBI, as amended from time to time.
- (6) **"Infrastructure facility"** means, the 'Harmonized Master list of Infrastructure sub-sectors' as per Gazette Notification Dt. October 11, 2022 of Department of Economic Affairs, as amended from time to time.
- (7) **"Investment Assets"** mean all investments made out of:
 - (i) in the case of Life Insurer
 - (a) shareholders' funds representing solvency margin, non-unit reserves of unit linked insurance business, participating and non-participating funds of policyholders, funds of variable insurance products including One Year Renewable pure Group Term Assurance Business (OYRGTA) at their carrying value;
 - (b) policyholders' funds of Pension, Annuity business and Group business including funds of variable insurance products at their carrying value;
 - (c) policyholders' unit reserves of unit linked insurance business including funds of variable insurance products at their market

value as per guidelines issued under these regulations, from time to time;

- (ii) in the case of General Insurer including an insurer carrying on business of re-insurance or health insurance or in case of a branch of a foreign company engaged in the business of re-insurance, funds maintained in its head office account, shareholders' funds representing solvency margin and policyholders' funds at their carrying value as shown in its balance sheet prepared in accordance with these Regulations;

(8) **Money Market Instruments**

Money Market Instruments shall comprise of Short term investments with maturity not more than one year comprising of the following instruments:

- (i) Certificate of deposit rated by a credit rating agency registered under SEBI (Credit Rating Agencies) Regulations, 1999;
- (ii) Commercial paper rated by a credit rating agency registered under SEBI (Credit Rating Agencies) Regulations, 1999;
- (iii) Reverse Repo;
- (iv) Treasury Bills (including Cash Management Bills);
- (v) Call, Notice, Term Money;
- (vi) Tri-party Repos (TREPs)
- (vii) Any other instrument as may be recognized by the Competent Authority;

- (9) **“Policyholders’ Funds”** means the sum of (1) Estimated liability for Outstanding Claims including Incurred but not Reported (IBNR) & Incurred but not Enough Reported (IBNER) (2) Unexpired Risk Reserve (URR) (3) Catastrophe Reserve (4) Premium Deficiency (5) Other liabilities net off Other Assets as at the Balance Sheet date.

Note: Other Liabilities comprise of (i) Premium received in advance (ii) Unallocated premium (iii) Balance due to other Insurance Companies (iv) Due to others members of Third Party Pool (IMTPIP), if applicable (v) Sundry creditors (due to Policyholders);

- (10) **“Shareholders’ Funds”** means Share Capital plus all Reserves and Surplus (except Revaluation Reserve and fair value change account) net of accumulated losses and miscellaneous expenditure to the extent not written off as at the Balance Sheet date, represented by investments of funds held in business beyond solvency margin.

Note: Other Assets comprise of (i) Outstanding premium (ii) Due from other entities carrying on Insurance business including Re-insurers (iii) Balance with terrorism pool (if applicable) (iv) Balance with Motor Third Party Pool if any (if applicable).

PART II

2. **Approved Investments**

- (3) No insurer shall invest or keep invested any part of its Controlled Fund, as defined under Sec 27A / Assets as defined under Sec 27 (2) of the Act, read together with Sec 27E of the Act, otherwise than in approved securities, as per Section 2(3) of Insurance Act, 1938, as amended from time to time and in any of the following **approved investments**, namely: —

- (i) debentures secured by a first charge on any immovable property, plant or equipment of any company which has paid interest in full *for three years immediately preceding or for at least three out of five years immediately preceding on such or similar debentures issued by it;*
- (ii) debentures secured by a first charge on any immovable property, plant or equipment of any company where either the book value or the market value, whichever is less, of such property, plant or equipment is more than three times the value of such debentures;
- (iii) first debentures secured by a floating charge on all its assets of any company which has paid dividends on its equity shares *for five years immediately preceding or for at least five out of the seven years immediately preceding;*
- (iv) preference shares of any company which has paid dividends on its equity shares for at least 2 financial years out of immediately preceding 3 consecutive financial years;
- (v) equity shares of any listed and actively traded company on which not less than ten percent dividends have been paid for at least 2 financial years out of immediately preceding 3 consecutive financial years;
- (vi) immovable property situated in India, **provided** that the property is free of all encumbrances;
- (vii) loans on policies of life insurance within their surrender values issued by him or by an insurer whose business he has acquired and in respect of which business he has assumed liability;
- (viii) Fixed Deposits with banks included for the time being in the Second Schedule to the Reserve Bank of India Act, 1934 (2 of 1934); and

such other investments as the Authority may, by notification in the Official Gazette, declare to be Approved Investments.

(2) In addition, the following investments shall be **deemed** as Approved Investments

- (i) All rated debentures (including bonds) and other rated & secured debt instruments as per Note appended to Clauses 3 to 8. Equity shares, preference shares and debt instruments issued by All India Financial Institutions recognized as such by Reserve Bank of India – investments shall be made in terms of investment policy guidelines, benchmarks and exposure norms, limits approved by the Board of Directors of the insurer.
- (ii) Bonds or debentures issued by companies, rated not less than AA or its equivalent and A1 or its equivalent ratings for short term bonds, debentures, certificate of deposits and commercial papers by a credit rating agency, registered under SEBI (Credit Rating Agencies) Regulations 1999.
- (iii) Subject to norms and limits approved by the Board of Directors of the insurer's deposits [including fixed deposits as per Clause 2(1)(viii) with banks (e.g. in current account, call deposits, notice deposits, certificate of

deposits etc.) included for the time being in the Second Schedule to Reserve Bank of India Act, 1934 (2 of 1934) and deposits with primary dealers duly recognized by Reserve Bank of India as such.

- (iv) Tri Party Repo created with the Tri-party Agent who is approved by RBI and exposure to Gilt, G Sec, overnight, ultra-short term and liquid mutual fund forming part of Approved Investments as per Mutual Fund Guidelines issued under these regulations and money market instrument/investment.
- (v) Asset Backed Securities/Pass through Certificates(PTCs) with underlying Housing loans or having infrastructure assets as underlying as defined under “infrastructure facility” in clause 1(6) of the Schedule III to Regulation 6(3) of IRDAI (Actuarial, Finance and Investment) Regulations, 2024, as amended from time to time.
- (vi) Commercial papers issued by All India Financial Institutions recognized as such by Reserve Bank of India having a credit rating of A1 by a credit rating agency registered under SEBI (Credit Rating Agencies) Regulations 1999.
- (vii) Money Market instruments as defined in clause 1(8) of the Schedule III to Regulation 6(3) of IRDAI (Actuarial, Finance and Investment) Regulations, 2024, subject to provisions of approved investments.

Explanation: All conditions mentioned in the ‘note’ appended to Clauses 3 to 8 shall be complied with.

- (3) The board of the insurer, to comply with the provisions of **Section 27A (2) (ii)** of the Act, may delegate to Investment Committee, for investments already made and the continuance of such investments from controlled fund / assets, in otherwise than in an approved investments, and in All India Financial Institutions recognized as such by RBI for investments carrying a rating of less than AA and being part of Approved Investment. The investment committee shall be responsible for the details, analysis and review of non-performing assets of investments on a quarterly periodicity. The insurer shall report compliance of this provision to the Authority through Form 4.
- (4) Unless specifically permitted by the Competent Authority, no investment shall be made in any entity not formed under laws relating to companies in India and in company formed under section 8 of the Companies Act, 2013 or erstwhile Section 25 of the Companies Act, 1956.

3. Regulation of Investments – Life Insurer

A life insurer, for the purpose of these Regulations, shall invest and at all times keep invested, the Investment Assets forming part of the Controlled Fund as under:

- (1) all funds (excluding Shareholders’ funds held beyond solvency margin, held in a separate custody account) of Life insurance business and One Year Renewable Pure Group Term Assurance Business (OYRGTA), and non- unit reserves of all categories of Unit linked life insurance business, as per clause 4;
- (2) all funds of Pension, Annuity and Group Business as per clause 5; and

(3) the unit reserves portion of all categories of Unit linked funds, as per clause 6”.

4. Without prejudice to Sections 10 (2AA), 27 or 27A of the Act and any provisions of these Regulations, every insurer carrying on the business of Life Insurance, shall invest and at all times keep invested its Investment Assets as defined in clause 3(1)) (other than funds relating to Pension & General Annuity and Group Business and unit reserves of all categories of Unit Linked Business) in the following manner:

No	Type of Investment	Percentage to funds as under clause 3(1)	
(i)	Central Government Securities	Not less than 25%	
(ii)	Central Government Securities, State Government Securities or Other Approved Securities	Not less than 50% (incl (i)above)	
(iii)	Approved Investments as specified in clause 2(1)and (2) to these Regulations and Other Investments as specified in Section 27A (2) of the Act and, (all taken together) subject to Exposure / Prudential Norms as specified in clause-8:	Not exceeding 50%	
iv)	Other Investments as specified in Section 27A (2) of the Act, subject to Exposure / Prudential Norms as specified in clause-8.	Not exceeding 15%	
(v)	<p>Investment in housing and infrastructure by way of subscription or purchase of:</p> <p>A. Investment in Housing</p> <p>a. Bonds / debentures of National Housing Bank & HUDCO and Equity of HUDCO</p> <p>b. Bonds / debentures of Housing Finance Companies either duly accredited by National Housing Banks, for house building activities, or duly guaranteed by Government or carrying current rating of not less than ‘AA’ by a credit rating agency registered under SEBI (Credit Rating Agencies) Regulations, 1999 and equity shares of any actively traded Housing Finance Company on which not less than ten percent dividends have been paid for at least 2 Financial years out of immediately preceding 3 consecutive Financial years.</p> <p>c. Asset Backed Securities with underlying housing loans, satisfying the norms specified in the guidelines issued under these regulations from time to time.</p> <p>B. Investment in Infrastructure</p> <p>Explanation: Subscription or purchase of Bonds / Debentures, Equity and Asset Backed Securities with underlying infrastructure assets would qualify for the purpose of this requirement.</p> <p>‘Infrastructure facility’ shall have the meaning as given in clause 1(6) as amended from time to time.</p>	<p>Total Investment in housing and infrastructure (i.e.,) investment in categories (i), (ii), (iii) and (iv) above taken together shall not be less than 15% of the fund under Regulation 6(III) of IRDAI (Actuarial, Finance and Investment) Regulations, 2024</p>	

No	Type of Investment	Percentage to funds as under clause 3(1)	
	<i>Note: Investments made under category (i) and (ii) above may be considered as investment in housing and infrastructure, provided the respective government issues such a security specifically to meet the needs of any of the sectors specified as 'infrastructure facility'.</i>		

5. Without prejudice to Sections 10 (2AA), 27 or 27A of the Act and any provisions of these Regulations every insurer carrying on Pension, Annuity and Group Business shall invest and at all times keep invested its Investment Assets of Pension, Annuity and Group business in the following manner:

No	Type of Investment	Percentage to funds under Regulation 36(b)
(i)	Central Government Securities	Not less than 20%
(ii)	Central Government Securities, State Government Securities or Other Approved Securities	Not less than 40% (incl (i) above)
(iii)	Balance to be invested in Approved Investments, as specified in clause 2(1) and (2), subject to Exposure / Prudential norms as specified in clause 8.	Not exceeding 60%

Note: For the purposes of this regulation no investment falling under 'Other Investments' as specified under Section 27A (2) of the Act shall be made.

6. Unit Linked Insurance Business

- (1) Without prejudice to Sections 10 (2AA), 27 or 27A of the Act and any provisions of these Regulations every insurer shall invest and at all times keep invested its segregated fund(s) under clause 3(3) (with underlying securities at custodian level) of Unit linked business as per pattern of investment offered to and subscribed to by the policy- holders where the units are linked to categories of assets which are both marketable and readily realizable within the approved pattern as per the product regulations.
- (2) However, the investment in Approved Investments shall not be less than 75% of such fund(s) in each such segregated fund”.
- (3) All prudential and exposure norms under clause 8, shall be applicable at the level of individual segregated fund at SFIN level.
- (4) Insurer shall, as per circular / guidelines issued, from time to time, disclose on their website, the minimum information required for the benefit of policyholders.

7. Regulation of Investments - General Insurer including an insurer carrying on business of re-insurance or health insurance.

Without prejudice to Sections 10 (2AA), 27, or 27B of the Act and any provisions of these regulations, an insurer carrying on the business of General Insurance including an insurer carrying on business of re-insurance or health insurance shall invest and at all times keep invested its investment assets in the manner set out below:

No	Type of Investment	Percentage of Investment Assets
(i)	Central Government Securities	Not less than 20%

No	Type of Investment	Percentage of Investment Assets
(ii)	Central Government Securities, State Government Securities or Other Approved Securities.	Not less than 30%(incl (i) above)
(iii)	Approved Investments as specified in clause 2 (1) and (2) and Other Investments as specified in Section 27A (2), (all taken together) subject to Exposure / Prudential Norms as specified in clause 8.	Not exceeding 70%
(iv)	Other investments as specified in Section 27A (2), subject to Exposure / Prudential Norms as specified in clause 8.	Not more than 15%
(v)	<p>Housing and loans to State Government for Housing and Fire Fighting equipment, by way of subscription or purchase of:</p> <p>A. Investments in Housing</p> <p>a. Bonds / debentures of National Housing Bank & HUDCO and Equity of HUDCO</p> <p>b. Bonds / debentures of Housing Finance Companies either duly accredited by National Housing Bank, for house building activities, or duly guaranteed by Government or carrying current rating of not less than 'AA' by a credit rating agency registered under SEBI (Credit Rating Agencies) Regulations, 1999 and equity shares of any actively traded Housing Finance Company on which not less than ten percent dividends have been paid for at least 2 Financial years out of immediately preceding 3 consecutive Financial years.</p> <p>c. Asset Backed Securities with underlying Housing loans, satisfying the norms specified in the Guidelines issued under these regulations from time to time.</p> <p>B. Investment in Infrastructure</p> <p>d. Explanation: Subscription or purchase of Bonds/ Debentures, Equity and Asset Backed Securities with underlying infrastructure assets would qualify for the purpose of this requirement.</p> <p>e. 'Infrastructure facility' shall have the meaning as given in Clause 1(6) as amended from time to time.</p> <p>Note: Investments made under category (i) and (ii) above may be considered as investment in housing or infrastructure, as the case may be, provided the respective government issues such a security specifically to meet the needs of any of the sectors specified as 'infrastructure facility'.</p>	Total Investment in housing and infrastructure (i.e.,) investment in categories (i), (ii), (iii) and (iv) above taken together shall not be less than 15% of the Investment Assets

“Note – For the purpose of Clauses 3 to 7

(I) Applicability of Pattern of Investment

Pattern of Investment will not be applicable for Shareholders' funds held in business beyond required solvency margin, and not taken in calculation of solvency margin. Such excess shall be:

- (a) made after fully complying with investment in Central Government Securities, State Government and Other Approved

- Securities and in Housing & Infrastructure Investments from funds representing solvency margin.*
- (b) *such excess of Shareholder's funds, held beyond Solvency Margin requirement, shall be held in a separate custody account with identified scrips.*
 - (c) *such excess funds shall be determined only after Actuarial Valuation, certified by Appointed Actuary and such valuation is filed with the Authority.*
 - (d) *such transfer made between quarters, shall be certified by the Concurrent Auditor to have complied with points (i), (ii) and (iii) above.*
 - (e) *Exposure Norms of 'investee company', 'group', 'promoter group' and 'industry sector' shall be applicable to both funds representing solvency margin (FRSM) and funds held in excess of required solvency margin.*
- (II) *All investment in assets or instruments, which are capable of being rated as per market practice, shall be made on the basis of credit rating of such assets or instruments. No approved investment shall be made in instruments, if such instruments are capable of being rated, but are not rated.*
 - (III) *The rating should be done by a credit rating agency registered under SEBI (Credit Rating Agencies) Regulations, 1999.*
 - (IV) *Infrastructure Investments rated not less than A along with Expected Loss Rating of EL1 would be considered as approved investment.*
 - (V) *The rating of a debt instrument issued by All India Financial Institutions recognized as such by RBI shall be of 'AA' or equivalent rating. In case investments of this grade are not available to meet the requirements of the investing insurance company, and Investment Committee of the investing insurance company is fully satisfied about the same, then, for the reasons to be recorded in the Investment Committee's minutes, the Investment Committee may approve investments in instruments carrying current rating of not less than 'A+' or equivalent as rated by a credit rating agency, registered under SEBI (Credit Rating Agencies) Regulations, 1999, would be considered as 'Approved Investments'.*
 - (VI) *Approved Investments under Clauses 4,5,6 and 7 which are downgraded below the minimum rating prescribed or not continuing to satisfy dividend criteria should be automatically re-classified under 'Other Investments' and specifically identified under a category which shall be valued at mark to market on quarterly basis, for the purpose of pattern of investment.*
 - (VII) *Not less than 75% of investment in debt instruments (including Central Government Securities, State Government Securities or Other Approved Securities) in the case life insurer and not less than 65% of investment in debt instruments (including Central Government Securities, State Government Securities or Other Approved Securities) in the case of General Insurer including an insurer carrying on business of re-insurance or health insurance - shall be in sovereign debt, AAA or equivalent rating for long term and sovereign debt, A1+ or equivalent for short term instruments. This shall apply at segregated fund(s) in case of Unit linked business.*

Note: In calculating the 75% in the case of Life insurers and 65% in the case of General Insurer including an insurer carrying on business of re-insurance or health insurance, of investment in 'Debt' instruments, investment in a) *Reverse Repo with corporate bond underlying* (b) *Bank Fixed Deposit* (c) *Investment in Promoter Group*

Mutual Fund(s) and un-rated Mutual funds, shall not be considered both in numerator and denominator.

- (a) Not more than 5% of funds under clause 3(1) and clause 3(3) in debt instruments (including Central Government Securities, State Government Securities or Other Approved Securities) in the case of life insurer and not more than 8% of investment in debt instruments (including Central Government Securities, State Government Securities or Other Approved Securities) in the case of General Insurer including an insurer carrying on business of re-insurance or health insurance – shall have a rating of A or below or equivalent rating for long term.*
- (b) No investment can be made in other investments out of funds under clause 3(2).*
- (c) Investments in debt instruments rated AA – (AA minus) or below for long term and below A1 or equivalent for shortterm debt instruments and Infrastructure Debt Investments rated below A or EL1 shall form part of Other Investments.*

(VIII) Notwithstanding the above, it is emphasized that rating should not replace appropriate risk analysis and management on the part of the Insurer. The Insurer should conduct risk analysis commensurate with the complexity of the product(s) and the materiality of their holding or could also refrain from such investments.

8. Exposure / Prudential Norms

Without prejudice to anything contained in Sections 10(2AA), 27, 27A, 27B and 27C of the Act every insurer shall limit its investment of controlled funds / all assets as per the following exposure norms:

- (1) Exposure norms for:
 - (i) Life Insurance business:
 - (a) all funds of Life insurance business and One Year Renewable pure Group Term Assurance Business (OYRGTA), and non-unit reserves of all categories of Unit linked life insurance business;
 - (b) all funds of Pension, Annuity and Group Business as per clause 5; and
 - (c) the unit reserves portion of all categories of Unit linked funds, as per clause 6, Life, Pension, Annuity and Group business and each segregated fund within Unit Linked Insurance business (except for promoter group exposure).
 - (ii) General insurance business,
 - (iii) Re-insurance business
 - (iv) Health insurance business.

for both Approved Investments as per clause 2(1) and (2) of these Regulations, and Other Investments as permitted under Section 27A (2) shall be as under.

- (2) The maximum exposure limit for a single 'investee' company (equity, debt and other investments taken together) from all investment assets under point (1(i)(a), 1(i)(b), 1(i)(c) all taken together), (1-ii), (1-iii) and (1-iv) mentioned above, shall not exceed the **lower** of the following;
- (a) an amount of 10% of investment assets as under clause 1(7)(i), clause 1(7)(ii) excluding fair value change of investment assets under clause 1(7) except clause 1(7)(i)(c).
 - (b) an **aggregate** of amount calculated under point (a) and (b) of the following table:

Type of Investment (1)	Limit for 'Investee' Company(2)	Limit for the entire Group of the Investee Company (3)	Limit for Industry Sector to which Investee Company belongs (4)
a. Investment in 'Equity', Preference Shares, Convertible Debentures	10% * of the Paid Up Equity Share capital or	Not more than 15% of the amount under point (1(i)(a or 1(i)(b) or 1.(i)(c) or (1-ii) or (1-iii) or (1.iv)	Investment by the insurer in any industrial sector should not exceed 15% of the amount under point 1(i)(a or 1(i)(b) or 1.(i)(c) or (1-ii) or (1-iii) or (1.iv) Note: Industrial Sector shall be classified in the lines of National Industrial Classification (All Economic Activities) - 2008 [NIC] for all sectors, except infrastructure sector. Exposure shall be calculated at Division level from A to R. For Financial and Insurance sector exposure shall be at Section level.
	10% of the amount under (1(i)(a or 1(i)(b) or 1.(i)(c) [segregated fund] above considered separately in the case of Life insurers / amount under (1-ii), (1-iii) and (1-iv) in the case of General Insurer including an insurer carrying on business of re- insurance or health insurance	Exposure to Investments made in companies belonging to Promoter Group shall be made as per Point (VII) under notes to clause 8	
	whichever is lower		
b. Investment in Debt (incl. CPs) / Loans and any other permitted Investments as per Act / Regulation	10% * of the Paid-up Share capital, Free reserves (excluding revaluation reserve) and Debentures / Bonds (incl. CPs)		Exposure to 'infrastructure' investments are subject to Note: I, II, III and IV mentioned below.

Type of Investment (1)	Limit for 'Investee' Company(2)	Limit for the entire Group of theInvestee Company (3)	Limit for Industry Sector towhich Investee Company belongs (4)
<i>other than item 'a' above.</i>	<i>of the 'Investee' company</i>		
	or		
	<i>10% of the amount under (1(i)(a or 1(i)(b) or 1.(i)(c) [segregated fund] above considered separatelyin the case of Life insurers / amount under (1-ii), (1-iii) and (1-iv) in the case of General Insurer including an insurercarrying on business of re- insurance or health insurance</i>		
	whichever is lower.		

* In the case of insurers having investment assets within the meaning of clause 1(7) (i) and clause 1(7)(ii) of the under mentioned size, the (*) marked limit in the above table for investment in equity, preference shares, convertible debentures, debt, loans or any other permitted investment under the Regulations, shall stand substituted as under:

Investment assets	Limit for 'investee' company	
	Equity	Debt
<i>Rs 250000 Crores or more</i>	<i>15% of Paid up Equity Share Capital</i>	<i>15% of paid up share capital, free reserves (excluding revaluation reserve)& debentures / bonds</i>
<i>Rs. 50000 Crores but less than Rs.250000 Crores</i>	<i>12% of Paid up Equity Share Capital</i>	<i>12% of paid up share capital, free reserves (excluding revaluation reserve)& debentures / bonds</i>
<i>Less than Rs. 50000 Crores</i>	<i>10% of Paid up Equity Share Capital</i>	<i>10% of paid up share capital, free reserves (excluding revaluation reserve)& debentures / bonds</i>

Note:

- (l) Industry sector norms shall not apply for investments made in:
- (i) 'Infrastructure facility' sector as defined under clause 1(6) of Schedule III of these Regulations as amended from time to time. NIC classification shall not apply to investments made in 'Infrastructure facility'
 - (ii) 'Housing Sector'. NIC classification shall not apply to investments made in 'Housing Sector'

- (II) Investments in IDF-NBFCs (Infrastructure Debt Fund), shall be reckoned for investments in Infrastructure subject to the following conditions:
- (i) IDF-NBFC is registered with RBI
 - (ii) Debt securities shall have residual tenure of not less than 5 years (at the time of investment).
 - (iii) Minimum Credit Rating of AA or its equivalent by a Credit Rating Agency registered with SEBI to be eligible for approved investments.
 - (iv) The exposure limits for investments in IDF-NBFCs is as per the note (III) below.
- (III) Exposure to a public limited 'Infrastructure investee company' will be:
- (i) 20% of Paid up Equity Share Capital in case of equity (or)
 - (ii) 20% of Paid up Equity Share Capital plus free reserves (excluding revaluation reserve) plus debentures / bonds taken together, in the case of debt (or)
 - (iii) amount under clause 8(2)(i) whichever is **lower**.
 - (iv) The 20% mentioned above, can be further increased by an additional 5%, in case of **debt** instruments alone, with the prior approval of Board of Insurer.
 - (v) The outstanding tenure of debt instruments, beyond the exposure prescribed in the above table in this regulation, in an infrastructure Investee Company, should not be less than 5 years at the time of investment.
 - (vi) in case of Equity investment, dividend track record as per these regulations, in the case of primary issuance of a wholly owned subsidiary of a Corporate / PSU shall apply to the holding company.
 - (vii) all investments made in an 'infrastructure investee company' shall be subject to group / promoter group exposure norms.
- (IV) An insurer can, at the time of investing, subject to group / promoter group exposure norms, invest a maximum of 20% of the project cost (as decided by a competent body) of an Public Limited Special Purpose Vehicle (SPV) engaged in infrastructure sector (or) amount under clause 8(2)(a), whichever is lower, as a part of Approved Investments provided:
- (i) such investment is in Debt;
 - (ii) the parent company guarantees the entire debt extended and the interest payment of SPV;
 - (iii) the principal or interest, if in default and if not paid within 90 days of the due date, such debt shall be classified under other investments;
 - (iv) the latest instrument of the parent company (ies) has (have) rating of not less than AA;
 - (v) such guarantee of the parent company (ies) should not exceed 20% of net worth of parent company (ies) including the existing guarantees, if any, given;
 - (vi) the net worth of the parent company (ies), if unlisted, shall not be less than Rs. 500 crores or where the parent company (ies) is listed on stock exchanges having nationwide terminals, the net worth shall not be less than Rs. 250 Crores.
 - (vii) Investment Committee should at least on a half-yearly periodicity evaluate the risk of such investments and take necessary corrective actions where the parent company (ies) is floating more than one SPV;
- (V) Investment in securitized assets (Mortgaged Backed Securities (MBS) / Asset Backed Securities (ABS) / Security Receipts (SR) / Pass Through Certificates (PTC)) both under approved (with minimum credit rating of AAA) and other investment (with credit rating below AAA) category shall not exceed 10% of Investment Assets in case of Life Insurance companies and 5% of Investment Asset in the case of General

Insurance companies. Approved Investment in MBS / ABS with underlying Housing or Infrastructure Assets shall not exceed 10% of investment assets in the case of Life insurance companies and not more than 5% of investment assets in the case of General insurance companies. Any MBS / ABS with underlying housing or infrastructure assets, if downgraded below AAA or equivalent, shall be reclassified as Other Investments;

- (VI) Investment Property within the meaning of Accounting Standards, and covered under clause 2(1)(vi) shall not exceed, at the time of investment, 5% of (a) Investment Assets in the case of general insurer and (b) 5% of Investment Assets of life funds in the case of life insurer. Immovable property, held as 'investment property' shall not be for 'self-use'. Immovable property, for self-use, shall be purchased only out of shareholders' funds, and shall comply with circular / guidelines issued;
- (VII) Subject to exposure limits mentioned in the table above, an insurer shall not have investments of more than 5% in aggregate of its investment assets in all companies belonging to the promoters' group. Investment made in all companies belonging to the promoters' group shall not be made by way of private placement (except QIPs of top 100 listed companies by market cap and Central Public Sector Enterprises) or in unlisted instruments (equity, debt, certificate of deposits and fixed deposits held in a Scheduled Commercial Bank), except for companies formed by Insurers under Note XII to clause 8;
- (VIII) The exposure limit for financial and insurance activities (as per Section K of NIC classification – 2008, as amended from time to time) shall stand at **30%** of investment assets for all insurers. Investment in Housing Financing Companies and Infrastructure Financing Companies (except investment in Bonds / debentures of HUDCO, NHB and bonds issued by Housing Finance Companies having a rating of not less than **AA**, investment in equity shares of any actively traded Housing Finance Company on which not less than ten percent dividends have been paid for at least 2 Financial years out of immediately preceding 3 consecutive Financial years and investment in Debt, Equity in dedicated infrastructure financing entities forming part of Infrastructure sector) shall form part of exposure to financial and insurance activities (as per Section K of NIC classification – 2008);
- (IX) Where an investment is in partly paid-up shares, the uncalled liability on such shares shall be added to the amount invested for the purpose of computing exposure norms;
- (X) Notwithstanding anything contained in clause 8(2) where new shares are issued to the existing shareholders by a company the existing shares of which are covered by clause 2(1)(v) and the insurer is already a shareholder, the insurer may subscribe to such new shares, **provided** that the proportion of new shares subscribed by him does not exceed the proportion which the paid-up amount on the shares held by him immediately before such subscription bears to the total paid-up capital of the company at the time of such subscription;
- (XI) Investment in fixed deposit and certificate of deposit of a Scheduled Bank, in case of life insurers, would be deemed as exposure to financial and insurance activities (as per Section K of NIC classification - 2008). No investment in deposits including FDs and CDs in financial institutions falling under Promoter Group shall be made. Investment in FDs shall not exceed either 3% of controlled fund or not more than 5% of respective fund size [Pension & General Annuity Fund and Unit linked fund(s) at SFIN level], whichever is lower, in the case of Life Insurers and 15% of Investment Assets as per clause 1(7)(ii) in the case of General Insurer including an insurer carrying on business of re-insurance or health insurance;

Note: Fixed Deposits as permitted under this Regulation kept as ASBA (Application Supported by Blocked Amount) deposit, including FDs with Banks falling under the promoter group of the Insurer, or otherwise, shall be excluded in computation of limits

mentioned above. FDs of Banks under Promoter Group, earmarked for complying with ASBA requirement, will be part of exposure to Promoter Group;

- (XII) An insurer shall not out of the controlled fund / assets invest or keep invested in the shares or debentures of any one company more than the exposure prescribed in clause 8 above, **provided** that nothing in this regulation shall apply to any investment made with the previous approval of the Authority by an insurer, being a company with a view to forming a subsidiary company carrying on insurance / re-insurance business;
- (XIII) The debt exposure, in Housing Finance Companies, rated not less than AA+, shall be up to 20% of paid-up share capital, free reserves (excluding revaluation reserve) and debentures / bonds (incl. CPs) or amount under clause 8(2)(i) whichever is lower. The 20% limit mentioned herein can be further increased by an additional 5% with the prior approval of Board of Insurer. All exposure norms applicable to group, promoter group shall be applicable to all investments made in a Housing Finance Company.

PART III

9. Returns to be submitted by an Insurer

Every insurer shall submit to the Authority returns (electronic mode) within such time, at such intervals in the manner as specified in ANNEXURE INV-III of schedule III of Regulation 6(3) of **IRDAI (Actuarial, Finance and Investment) Regulations, 2024**.

10. Power to call for additional information

The Competent Authority may, by general or special order, require from the insurers such other information in such manner, intervals and time limit as may be specified therein in the interest of policyholders and issue such directions to the insurers as it thinks fit.

11. Duty to Report extraordinary events affecting the investment portfolio

Every insurer shall report to the Authority forthwith, the effect or the probable effect of any event coming to its knowledge, which could have material adverse impact on the investment portfolio and consequently on the security of policy-holder benefits or expectations.

12. Provisions on Investment Management

(1) Constitution of Investment Committee

- (i) Every insurer shall constitute an Investment Committee with a composition as mentioned in the Corporate Governance Regulations and Circulars issued thereon by the Authority from time to time. The decisions

taken by the Investment Committee shall be recorded and be open to inspection by the officers of the Authority.

(2) Investment Policy

- (i) Every Insurer shall draw up, an Investment Policy (IP) (fund wise IP in the case of Unit Linked Insurance Business) and place the same before its Board of Directors for its approval.
- (ii) Every insurer shall have a model code of conduct to prevent insider / personal trading of Officers involved in various levels of Investment Operations in compliance with SEBI (Prohibition of Insider Trading) Regulation, 1992 as amended from time to time and place the same before its Board of Directors for its approval.
- (iii) While framing the Investment Policy, the Board shall ensure compliance with the following:
 - (a) Issues relating to liquidity, prudential norms, exposure limits, stop loss limits including securities trading, management of all investment risks, management of assets liabilities mismatch, Scope of Internal or Concurrent audit of Investments, criteria form empanelment and review of investment brokers, investment statistics and all other internal controls of investment operations, the provisions of the Insurance Act, 1938 and IRDAI (Actuarial, Finance and Investment) Regulations, Guidelines and Circulars made there under.
 - (b) Ensuring adequate return on policyholders and shareholders' funds consistent with the protection, safety and liquidity of such fund(s).
- (iv) The investment policy of Life, General Insurer including an insurer carrying on business of re-insurance or health insurance, as approved by the Board shall be implemented by the investment committee. The Board shall review on a quarterly basis the monitoring of fund wise and in respect of each product (both participating and non-participating products in the case of life insurers) the following minimum:
 - (a) Life Insurers:
 - i. new business scale planned versus actual at the end of the period1 to maturity
 - ii. expenses projected versus actual
 - iii. persistency / renewal premium streams projected versus actual
 - iv. claims - projected versus actual
 - v. actual yield versus projected yield or returns
 - vi. action plan and follow up status

- (b) General Insurer including an insurer carrying on business of re-insurance or health insurance (at line of business level):
 - i. gross level of premium income projected vs actual along with reasons for negative growth if any
 - ii. steps to correct the business achieved as planned in case of under achievement of gross written premium
 - iii. underwriting results planned vs achieved along with reasons for negative deviations
 - iv. claims outgo projected versus actual - major reasons for increase / decrease in loss ratio and corrective steps planned for future
 - v. expenses including acquisition cost planned vs actuals- in case of excess over permitted limits, reasons for such excess along with plan to comply limits
 - vi. overall incremental investments projected vs actual - reason for deviation from the planned accretion and steps planned to correct the trend if the same is negative

- (v) The Board shall review the investment policy and its implementation on a half-yearly basis or at such short intervals as it may decide and make such modification to the investment policy as is necessary to bring it in line with the investment provisions laid down in the Act and Regulations made there under, keeping in mind protection of policyholders' interest and pattern of investment laid down in these regulations or in terms of the agreement entered into with the policyholders in the case of unit linked insurance business.

(3) Investment Operations

- (i) The funds of the insurer shall be invested and continued to be invested in equity shares, equity related instruments and debt instruments rated as per Note below clause 3 to 7 by a credit rating agency, registered under SEBI (Credit Rating Agencies) Regulations, 1999. The Board shall lay down norms for investing in 'Other Investments' as specified in section 27A(2) of the Insurance Act, 1938 by the investment committee, taking into account the safety and liquidity of the policyholders' funds and protection of their interest.
- (ii) To ensure proper internal control of investment functions and operations the insurer shall clearly segregate the functions and operations of front, mid and back office (as provided in the Guidance note on Internal / Concurrent Audit of Investment functions of Insurance Companies issued by the Institute of Chartered Accountants of India) and no function falling under Front, Mid and Back Office Investment function(s), shall be outsourced. Also, the primary data server of the computer application used for investment management shall remain within the country.
- (iii) The Board of the Insurer shall appoint a Custodian to carry out the custodial service for its Investments, who shall not be an entity under its promoter 'Group' unless permitted otherwise by the Competent Authority.

(4) Risk Management Systems and its Review

- (i) The Board shall implement the Investment Risk Management Systems and

Process, mandated by the Authority. The implementation shall be certified by a Chartered Accountant firm, as per the procedure laid down in the “Guidance note on Review and Certification of Investment Risk Management Systems and Process of Insurance Companies”, issued by the Institute of Chartered Accountants of India, as amended from time to time.

- (ii) The Investment Risk Management Systems and Process shall be reviewed once in two financial years or such shorter frequency as decided by the Board of the Insurer (the gap between two such audits should not be more than two years), by a Chartered Accountant firm and file the certificate issued by such Chartered Accountant, with the Authority along with the first quarter returns.
- (iii) The appointment of Chartered Accountant firm to certify implementation and review of Investment Risk Management Systems and Process shall be as per the circular issued under these regulations.

(5) Audit and Reporting to Management

- (i) Every insurer shall constitute an Audit Committee of the Board with a composition as mentioned in the Corporate Governance Regulations and Circulars issued thereon by the Authority from time to time. The Chairperson of the Audit Committee shall not be the Chairperson of Investment Committee.
- (ii) The Insurer shall have the investment transactions covering both Shareholders and Policyholders funds be audited through Internal or Concurrent Auditor as per the circular issued under this regulation.
- (iii) The quarterly internal / concurrent audit report, covering investments of both shareholders as well as policyholders, shall be as per the “Guidance note on Internal / Concurrent Audit of Investment functions of Insurance Companies” issued by the Institute of Chartered Accountants of India, as amended from time to time.
- (iv) The Details of Investment Policy, implementation status of Investment Risk Management Systems and Process or its review shall be made available to the internal or concurrent auditor. The auditor shall comment on implementation status, review and its impact on the investment operations, systems and process in their report to be placed before the Board’s Audit Committee.
- (v) The Statutory Auditor of the Insurer shall on a quarterly basis, confirm compliance to clause 12(iv)(a) and (b) and such confirmation, shall be filed by the insurer along with periodical investment returns.

(6) Category of Investments

Every Insurer shall invest its controlled fund as defined under Section 27A / all assets as defined under Section 27(2) of the Insurance Act, 1938 as amended from time to time, only within the exhaustive category of investments listed in the guidelines issued by the Competent Authority.

13. Dealing in Financial Derivatives

Every Insurer carrying on the business of life insurance or general insurance or health insurance business may deal in financial derivatives only to the extent permitted and in accordance with the guidelines issued by the Competent Authority in this regard from time to time.

14. Miscellaneous

The Board of the Authority may, by any general or special order, modify or change the application of clauses 3 to 9 to any insurer either on its own or on an application made to it.

ANNEXURE INV-I

LIFE INSURERS

(See Clause 3 to 6)

A. Processing of Unit Linked Business Application and Declaration of NAV

Every Unit linked segregated fund(s), shall be identified by its Segregated Fund Identification Number (SFIN) and shall follow the guidelines issued by the Competent Authority.

1. *All applications received for premium payment, switches, redemption, surrender, maturity claim etc., should be time stamped and dated.*
2. **Applications for “premium payment”**
 - a. *for applications received, with local cheques, cash or demand draft payable at par at the place where the premium is received, **before cut-off time** (3.00 pm) on a business day, the applicable NAV would be the closing NAV of the **same day**.*
 - b. *for applications received, along with local cheques, cash or demand draft payable at par at the place where the premium is received, **after cut-off time** (3.00 pm) on a business day, the applicable NAV would be the closing NAV of the **next business day**.*
 - c. *for premiums received with an outstation cheque or demand draft, the closing NAV of the day on which the cheque / Demand Draft is **realized** shall be applied.*
3. **Applications for “other than” premium payment**
 - a. *for applications received **before the cut-off time** (3.00 pm) on a business day, the applicable NAV would be the closing NAV of the **same day**.*
 - b. *for applications received, **after the cut-off time** (3.00 pm) on a business day, the applicable NAV would be the closing NAV of the **next business day**.*

4. Daily disclosure / reconciliation of Product and Fund information

- a. Every insurer doing Unit linked business shall reconcile, **through the system**, the premium received (net of charges and benefits paid) under each product (Unique Identification Number – UIN) with value of all the segregated fund(s) (Segregated Fund Identification Number – SFIN) net of fund management charges, held under a single UIN, **on a day to day basis**, as per Form D01.
- b. The insurer, through a portal, shall enable the policyholder to know, through a secured login (i) the value of policy wise units held by him, as per Form D02 and (ii) fund wise NAV (SFIN wise) on both the Insurer's website and life council website on the same day.

Disclosure format

No	Format	Description	Frequency
01	Form D01	Daily reconciliation of ULIP portfolio	End of the Day (not to be filed with Authority)
02	Form D02	Statement of Product Value	Enable through secured login to individual policyholder
03		Portfolio Disclosure	The minimum information, as per guidelines /circular issued, on a monthly basis

- c. The internal / concurrent Auditor shall report on the automated system and process to handle the UIN wise reconciliation (as in point 'a' above) and value of policy wise units held by policyholder and fund wise NAV, on a quarterly basis.

5. Applicable NAV for the applications received on the last business day of the Financial Year

- a. for applications received on the last business day of the financial year **UP TO 3.00 pm** shall be processed with NAV of the last business day (irrespective of the payment instrument is local or outstation)
- b. for applications received **AFTER 3.00 pm** on the last business day, the same shall fall into the next Financial Year and NAV of the immediate **next business day** would be applicable.
- c. The insurer shall declare NAV for the last business day of a quarter end, even if it is a non-business day.

6. For allotment of units, the applicable NAV shall be as per the date of commencement of policy for new policy contracts and date of receipt of premium for renewals.

- a. For allotment of units to a new policy contract, the NAV shall be applicable as at the date of commencement of the policy contract. The premium in such case shall have to be received on or before the date of commencement of policy contract.
- b. For renewals of existing policy contract, the NAV shall be applicable as at the date of renewal where the date of receipt of premium is on or before due date and as at the date of receipt of premium where the premium is received after the due date of renewal.

- c. *For revivals, the date of revival shall be the reference date for application of NAV through allotment of units.*
 - d. *The date of receipt of premium for reasons such as top-up or any other provision for payment of premium apart from regular payment schedule as per respective product conditions shall be the reference date for application of NAV.*
7. *The Insurer's Policy Admin System (PAS) shall be 'automated' for tracking 'policy-wise', information of discontinued policies along with the information of the particular ULIP fund to which the same pertains.*
 8. *Asset allocation and exposure norms for a segregated fund shall not apply for either the first six months from the date of its launch or the segregated fund reaches the size of Rs.5 Crores, for the first time, whichever is earlier. On expiry of the sixth month, every such segregated fund, shall comply with all exposure norms under Regulation 41. Where in case of a segregated fund, has gone below Rs.5 Crores, the insurer may provide a free switch, after informing the policyholder, to another fund with similar fund objective / risk profile with either same or lower fund management charges.*
 9. *Where any segregated fund (other than discontinued policy fund under unit linked business) invest in either Mutual Fund, Exchange Traded Fund (excluding CPSE ETF) or Bank Fixed Deposit (for a period less than 91 days at the time of placing the investment), the value of funds invested therein, shall be reduced for computing the fundmanagement charges (FMC). This provision shall not be applicable for either the first six months from the date of launch of the segregated fund or the segregated fund reaches the size of Rs.5 Crores, for the first time, whichever is earlier.*
 10. *In the case of discontinued policy fund, investment in treasury bills will be treated as part of Central Government Securities.*
 11. *All Insurers shall file a certificate, issued by Internal / Concurrent Auditor for compliance of the following:*
 - a. *compliance to all exposure norms at the level of each segregated fund, on a quarterly basis*
 - b. *the value of funds invested in Mutual Fund, Exchange Traded Fund or Bank Fixed Deposit (for a period less than 91 days) had been reduced in FMC calculation, on a quarterly basis*
 - c. *each of the directions issued at point 5 above, regarding the applicable NAV for applications received on the last business day*
 - d. *the Statutory Auditors shall also confirm point 'c' above, in the Annual Accounts.*

Note:

1. **Business day** shall mean days other than holidays where stock exchanges (excluding Muhurat trading day) with national wide terminals are open for trade (other than day on which exchanges are open for testing) or any day declared by the Competent Authority as business day.

2. *The insurer shall invest only in such investments for which the day-to-day Valuations are available and readily realisable. No investment can be made in any Fund of Funds or a fund for which NAV is not available on a day-to-day basis.*

B. Fund Management

1. *In the case of (a) Life fund, (b) Pension, Annuity & Group funds, the insurer shall maintain separate sub-custody account with identifiable securities for participating and non-participating funds.*
2. *Every insurer shall have a separate fund manager for debt and equity up to a fund size (for both shareholder and policyholder funds taken together) of Rs. 10000 Crores. When the fund size, for the first time, is Rs.10000 Crores, every fund [(a) Life fund (b) Pension, Annuity & Group fund (c) Unit linked segregated fund(s)] shall have identifiable fund manager. No fund manager can be common between (a) Life fund, Pension & Group fund and (b) Unit linked fund(s).*

ANNEXURE INV-II

(See Clause-7)

General Insurer including an insurer carrying on business of re-insurance or health insurance

A. Applicability of Pattern of Investment

Where an Insurer, hold the entire investment assets, as per clause 1(7) for and behalf of the Policyholders, the pattern of investment shall apply to the entire investment assets (both shareholder and policyholder's funds taken together) and the investment assets can be maintained in a single custody account.

B. Miscellaneous

The mandatory minimum investment in Housing and Infrastructure as Clause-7, will not apply for Health Insurers.

ANNEXURE INV-III

- (1) All insurers are advised to furnish the returns to the Authority as specified below. However, the periodicity of return is half-yearly for branches of foreign reinsurers. In case there is no information applicable for a particular point the insurer should indicate 'Not Applicable' or 'Nil', as the case may be, rather than deleting the said point from the Returns filed with the Authority.

No	Form	Description	Periodicity of Return	Time limit for submission	Verified / Certified by
1	Form 1	Statement of Investment and Income on Investment	Quarterly	Within 30 days of the end of the Quarter	Principal Officer / Chief of Investment / Chief of (Finance)
2	Form 2 (Part A, B, C)	Statement of Downgraded Investments, Details of Rated Instruments	Quarterly	Within 30 days of the end of the Quarter	Principal Officer / Chief of Investment / Chief of (Finance)
3	Form 3A (Part A, B, C, D,E)	Statement of Investments Assets (Life Insurers)	Quarterly	Within 30 days of the end of the Quarter	Principal Officer / Chief of Investment / Chief of (Finance)
4	Form 3B (Part A, B)	Statement of Investment Assets (General Insurer including an insurer carrying on business of re- insurance or health insurance)	Quarterly	Within 30 days of the end of the Quarter	Principal Officer / Chief of Investment / Chief of (Finance)
5	Form 4 (Part B)	Internal / Concurrent Auditor's Certificate on Investment Risk Management Systems - Implementation	Quarterly	Within 30 days of the end of the Quarter	Internal / Concurrent Auditor appointed under this regulation

No	Form	Description	Periodicity of Return	Time limit for submission	Verified / Certified by
		Status			
6	Form 4A (Part A, B, C,D)	Statement of Investment Subject to Exposure Norms – Investee Company, Group, Promoter Group, Industry Sector	Quarterly	Within 30 days of the end of the Quarter	Principal Officer / Chief of Investment / Chief of (Finance)
7	Form 5	Statement of Investment Reconciliation	Quarterly	Within 30 days of the end of the Quarter	Principal Officer / Chief of Investment / Chief of (Finance)
8	Form 6	Certificate under Sec 27A (5)	Quarterly	Within 30 days of the end of the Quarter	Chairman, Director 1, Director 2, Principal Officer
9	Form 7	Statement of Non-Performing Assets	Quarterly	Within 30 days of the end of the Quarter	Principal Officer / Chief of Investment / Chief of (Finance)

Note:

1. The Internal / Concurrent Audit Report of the previous quarter with comments of Audit Committee of the Board, on 'very serious', 'serious' points (as per the Guidance note on Internal / Concurrent Audit of Investment functions of Insurance Companies, issued by the Institute of Chartered Accountants of India) in the report, and status of implementation of Audit committee recommendation shall be filed with the Authority along with current quarter returns
2. All returns for the quarter ending March shall be filed within the period stipulated above based on provisional figures and later re-submitted with Audited figures within 15 days of adoption of accounts by the Board of Directors.

FORM - 1

(Read with clause 9 of Part III of Schedule III)

Name of the Insurer:

Registration Number:

Statement as on:

Name of the Fund

Statement of Investment and Income on Investment

Periodicity of Submission: Quarterly

Rs Crore

No.	Category of Investment	Category Code	Current Quarter				Year to Date (current year)				Year to Date (previous year) ³			
			Investment (Rs.) ¹	Income on Investment (Rs.)	Gross Yield (%) ¹	Net Yield (%) ²	Investment (Rs.) ¹	Income on Investment (Rs.)	Gross Yield (%) ¹	Net Yield (%) ²	Investment (Rs.) ¹	Income on Investment (Rs.)	Gross Yield (%) ¹	Net Yield (%) ²

TOTAL

CERTIFICATION

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

Signature _____

Date:

Full Name

Authorised Signatory

Note: *Category of Investment (COI) shall be as per Guidelines, as amended from time to time*

1 Based on daily simple Average of Investments

2 Yield netted for Tax

3 In the previous year column, the figures of the corresponding Year to date of the previous financial year shall be shown

FORM-1 shall be prepared in respect of each fund. In case of ULIP FORM 1 shall be prepared at Segregated Fund (SFIN) level and also at consolidated level.

4 YTD Income on investment shall be reconciled with figures in P&L and Revenue account

FORM - 2**(Read with clause 9 of Part III of Schedule III)****PART - A****Name of the Insurer:****Registration Number:****Statement as on:****Name of Fund****Statement of Down Graded Investments Periodicity of Submission: Quarterly****Rs Crore**

No	Name of the Security	COI	Amount	Date of Purchase	Rating Agency	Original Grade	Current Grade	Date of last Downgrade	Remarks
A.	<u>During the Quarter</u> ¹								
B.	<u>As on Date</u> ²								

CERTIFICATION

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

Signature _____**Date****Full Name and Designation****Authorised Signatory****Note:**

- ¹ Provide details of Down Graded Investments during the Quarter.
- ² Investments currently upgraded, listed as Down Graded during earlier Quarter shall be deleted from the Cumulative listing.
- ³ FORM-2 shall be prepared in respect of each fund. In case of ULIP FORM 2 shall be prepared at Segregated Fund (SFIN) level and also at consolidated level.
- ⁴ Category of Investment (COI) shall be as per Guidelines issued.

FORM - 2

(Read with clause 9 of Part III of Schedule III)

Name of the Insurer:

Registration No:

PART - B

INVESTMENT ASSETS - RATING PROFILE

Name of the Fund: _____

Rs.Crore

No	Type of Investments	Investments in Sovereign instruments		AAA or Equivalent		AA+ or AA		AA- or lower upto A+ or Equivalent		A or lower than A or Equivalent		Unrated		NPA		Equity and other Instruments		Total BV
		BV	% to Inv. Assets	BV	% to Inv. Assets	BV	% to Inv. Assets	BV	% to Inv. Assets	BV	% to Inv. Assets	BV	% to Inv. Assets	BV	% to Inv. Assets	BV	% to Inv. Assets	
		(a)		(b)		(c)		(d)		(e)		(f)		(g)		(h)		
i	Central Govt Securities																	
ii	State Govt Sec. or Other Approved Securities																	
ii	(A) Housing Sector																	
	(1) Debt instruments																	
	(2) Loans																	
	(3) Others (Specify)																	
	(B) Infrastructure Sector																	
	(1) Debt instruments																	
	(2) Equity instruments																	
	(3) Loans																	
	(4) Others (Specify)																	
	(C) Approved Investments																	
	(1) Debt instruments																	
	(2) Equity instruments																	
	(3) Loans																	
	(4) Investment Property - Immovable																	

No	Type of Investments	Investments in Sovereign instruments		AAA or Equivalent		AA+ or AA		AA- or lower upto A+ or Equivalent		A or lower than A or Equivalent		Unrated		NPA		Equity and other Instruments		Total BV
		BV	% to Inv. Assets	BV	% to Inv. Assets	BV	% to Inv. Assets	BV	% to Inv. Assets	BV	% to Inv. Assets	BV	% to Inv. Assets	BV	% to Inv. Assets	BV	% to Inv. Assets	
		(a)		(b)		(c)		(d)		(e)		(f)		(g)		(h)		
(5)	Mutual Fund																	
(6)	Money Market																	
(7)	Net current assets																	
(8)	Others (Specify)																	
iv	Other Investments																	
(1)	Debt instruments																	
(2)	Equity instruments																	
(3)	Loans																	
(4)	Investment Property - Immovable																	
(5)	Mutual Fund																	
(6)	Others (specify)																	

Investment Assets

Investment in 'Debt' instruments	Book Value (Life, Pension Fund and General Insurers)	Market Value (for ULIP Funds)	%
Investments in Sovereign instruments			
APPROVED INVESTMENTS			
AAA			
AA+ upto AA or Equivalent			
MM, Loans, Others - Approved Invt.			
OTHER INVESTMENTS			
AA,A, lower than A or Equivalent			
Unrated, Loans, Others - Other Invt.			

Total Debt Investments (Column [a] to [g])

Certification

Certified that the information given herein are correct and complete to the best of my knowledge. Also certified that the various investments made and covered in the return are **within** the categories provided in Investment Guidelines as amended from time to time.

Signature:_____

Full name:

Authorised Signatory

Note:

1. *The figures in Col (i) must match (for each type of investment) with Form 3A (Part A)/Form 3B.*
2. *Non-Performing investment assets shall be separately shown irrespective of the rating*
3. *For Linked business values of Investments shall be at Market Value.*
4. *Equity shall be as permitted under the Regulations as amended from time to time.*
5. *FORM - 2 (Part B) shall be prepared in respect of each fund. In case of ULIP Form 2 shall be prepared at Segregated Fund (SFIN) level and also at consolidated level.*
6. *Category of Investment (COI) shall be as per Guidelines, as amended from time to time.*

FORM - 2

(Read with clause 9 of Part III of Schedule III)

Name of the Insurer:

PART - C

Registration No:

INVESTMENT ASSETS & INFRA INVESTMENTS - RATING PROFILE Name of the Fund

SECTION - 1

INVESTMENT ASSETS	Rs Crore	% to Inv. Assets
Central Govt. Sec + Other Approved Securities		
TOTAL (1)		
Approved Investments		
AAA or upto AA or Equivalent		
Equity - Approved Invt		
MM, Loans, Others - Approved Invt		
TOTAL (2)		
Other Investments		
AA-, A, lower than A or Equivalent		
Equity - Other Invt		
Unrated, NPA, Loans, Others - Other Invt		
TOTAL (3)		
TOTAL FUND (1+2+3)		
SECTION - 2		
INFRASTRUCTURE INVESTMENTS		
Approved Investments		
AAA or upto AA or Equivalent		
Equities-Approved		
MM, Loans, Others-Approved Invt		
TOTAL (i)		
Other Investments		
AA-,A, lower than A or Equivalent		
Equities-Other Investments		
Loans, NPAs, Others - Other Invt		
TOTAL (ii)		
Total Infra Investment (i + ii)		

Certification

Certified that the information given herein are correct and complete to the best of my knowledge. Also certified that the various investments made and covered in the return are **within** the categories provided in Investment Guidelines as amended from time to time.

Signature: _____

Full name: _____

Authorised Signatory _____

Note::

1. The figures must match (for each type of investment) with Form 3A (Part A)/Form 3B
2. FORM - 2 (Part C) shall be prepared in respect of life fund.
3. Category of Investment (COI) shall be as per Guidelines issued.

FORM - 3A

(Read with clause 9 of Part III of Schedule III)

Name of the Insurer:

Registration Number:

PART - A

Statement as on:

Statement of Investment Assets (Life Insurers) (Business within India)

Periodicity of Submission: Quarterly

Rs. Crore

Section I

No	PARTICULARS	SCH	Amount
1	Investments (Shareholders)	8	
	Investments (Policyholders)	8A	
	Investments (Linked Liabilities)	8B	
2	Loans	9	
3	Fixed Assets	10	
4	Current Assets		
	a. Cash & Bank Balance	11	
	b. Advances & Other Assets	12	
5	Current Liabilities		
	a. Current Liabilities	13	
	b. Provisions	14	
	c. Misc. Exp not Written Off	15	
	d. Debit Balance of P&L A/c		
Application of Funds as per Balance Sheet			0

Reconciliation of Investment Assets

Total Investment Assets (as per Balance Sheet)	_____
Balance Sheet Value of:	
A. Life Fund	-----
B. Pension & General Annuity and Group Business	_____
C. Unit Linked Funds	-----
	0
	=====

	Less: Other Assets	SCH	Amount
1	Loans (if any)	9	
2	Fixed Assets (if any)	10	
3	a. Cash & Bank Balance (if any)	11	
4	b. Advances & Other Assets (if any)	12	
5	Current Liabilities	13	
6	Provisions	14	
7	Misc. Exp not Written Off	15	
8	C. Investments held outside India		
9	Debit Balance of P&L A/c		
	TOTAL (B)		<u>0</u>
	Investment Assets (A-B)		<u>0</u>

Section IIA

NON - LINKED BUSINESS

A. LIFE FUND		% as per Reg	SH		PH			Book Value (SH+PH)	Actual % [(f) - (a)] %	FVC Amount (h)	Total Fund (i)=(f+h)	Market Value (j)
			Balance	FR SM +	UL- Non Unit Res	PAR	NON-PAR					
			(a)	(b)	(c)	(d)	(e)					
1	Central Govt. Sec	Not Less than 25%										
2	Central Govt Sec, State Govt Sec or Other Approved Securities (incl (1) above)	Not Less than 50%										
3	Investment subject to Exposure Norms											
a.	Infrastructure/ Social/ Housing Sector	Not Less than 15%										
	i) Approved Investments											
	ii) Other Investments											
b.	i) Approved Investments	Not exceeding 35%										
	ii) Other Investments											

TOTAL LIFE FUND 100%

Section II B Infrastructure Reconciliation

A: LIFE FUND	% As per Reg.	SH		PH			Book Value (SH+PH)	ACTUAL %	FVC Amount	Total Fund	Market Value
		Balance	FRSM+	UL Non Unit Res	PAR	NON-PAR					
		(a)	(b)	(c)	(d)	(e)					
3 a.(ii) + 3 b.(ii) above	Not exceeding 15%										
Total Housing & Infrastructure From 1, 2 & 3	Not Less than 15%										

B. PENSION & GENERAL ANNUITY AND GROUP BUSINESS			% as per Reg	PH		Book Value	Actual %	FVC Amount	Total Fund	Market Value
				PAR	NON PAR					
				(a)	(b)					
1	Central Govt. Sec		Not Less than 20%							
2	Central Govt Sec, State Govt Sec or Other Approved Securities (incl (1) above)		Not Less than 40%							
3	Balance in Approved investment		Not Exceeding 60%							

TOTAL PENSION, GENERAL ANNUITY FUND 100%

LINKED BUSINESS

C. LINKED FUNDS			% as per Reg	PH		Total Fund	Actual %
				PAR	NON PAR		
				(a)	(b)		
1	Approved Investments		Not Less than 75%				
2	Other Investments		Not More than 25%				

TOTAL LINKED INSURANCE FUND 100

=====

CERTIFICATION:

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

Signature: _____

Date:

Full name:

Authorised Signatory

Note:

- 1 (+) FRSM refers to 'Funds representing Solvency Margin'.
- 2 Funds beyond Solvency Margin shall have a separate Custody Account.
- 3 Other Investments shall be as permitted as per Sec 27A (2) of Insurance Act, 1938 as amended from time to time.
- 4 Pattern of Investment is applicable to both Shareholders funds representing solvency margin and policyholders funds.
- 5 Exposure Norms shall apply to Funds held beyond Solvency Margin, held in a separate Custody Account.
- 6 Category of Investment (COI) shall be as per Guidelines, as amended from time to time.

FORM 3A

(Read with clause 9 of Part III of Schedule III)

Unit Linked Insurance Business

PART - B

Name of the Insurer:

Registration Number:

Link to Item 'C' of FORM 3A (Part A)

Periodicity of Submission: Quarterly

Statement as on:

Rs. Crore

PARTICULARS	SFIN 1	SFIN 2	SFIN 'n'	Total of All Funds
Opening Balance (Market Value)				
Add: Inflow during the Quarter				
Increase / (Decrease) Value of Inv [Net]				
Less: Outflow during the Quarter				

TOTAL INVESTIBLE FUNDS (MKT VALUE)

INVESTMENT OF UNIT FUND	SFIN 1		SFIN 2		SFIN 'n'		Total of All Funds	
	Actual Inv.	% Actual	Actual Inv.	% Actual	Actual Inv.	% Actual	Actual Inv.	% Actual
Approved Investments (>=75%)								
<i>Central Govt. Securities</i>								
<i>State Govt. Securities</i>								
<i>Other Approved Securities</i>								
<i>Corporate Bonds</i>								
<i>Infrastructure Bonds</i>								
<i>Equity</i>								
<i>Money Market Investments</i>								
<i>Mutual funds</i>								
<i>Deposit with Banks</i>								

Sub Total (A)

Current Assets:								
<i>Accrued Interest</i>								
<i>Dividend Receivable</i>								
<i>Bank Balance</i>								
<i>Receivable for Sale of Investments</i>								

<i>Other Current Assets (for Investments)</i>								
Less: Current Liabilities								
<i>Payable for Investments</i>								
<i>Fund Mgmt Charges Payable</i>								
<i>Other Current Liabilities (for Investments)</i>								

Sub Total (B)

Other Investments (<=25%)								
<i>Corporate Bonds</i>								
<i>Infrastructure Bonds</i>								
<i>Equity</i>								
<i>Mutual funds</i>								
<i>Others</i>								

Sub Total (C)

=====

=====

Total (A + B + C)

=====

=====

Fund Carried Forward (as per LB 2)

=====

=====

Signature: _____

Date :

Full name: _____

Authorised Signatory _____

Note:

1. *The aggregate of all the above Segregated Unit-Funds should reconcile with item C of FORM 3A (Part A), for both Par & Non Par Business.*
2. *Details of total expenditure reported in the Actuarial Return "Statement of Net Assets Values for the Segregated Funds maintained by the insurer for its Unit Linked Business" shall be reconciled with FORM 3A (Part B).*
3. *Other Investments' are as permitted under Sec 27A(2) of Insurance Act,1938 as amended from time to time.*
4. *Category of Investment (COI) shall be as per Guidelines issued.*

FORM - 3A

(Read with clause 9 of Part III of Schedule III)

Name of the Insurer:

Registration Number:

PART - C

Link to FORM 3A (Part B)

Statement for the period:

Periodicity of Submission: Quarterly

Statement of NAV of Segregated Funds

Rs.Crore

No	Fund Name	SFIN	Date of Launch	Par/No n Par	Assets Under Management on the above date	NAV as per LB 2	NAV as on the above date*	Previous Qtr NAV	2nd Previous Qtr NAV	3rd Previous Qtr NAV	4th Previous Qtr NAV	Return/ Yield	3 Year Rolling CAGR	Highest NAV since inception
1	Segregated Fund 1													
2	Segregated Fund 2													
3	Segregated Fund n													

Total

CERTIFICATION

Certified that the performance of all segregated funds have been placed and reviewed by the Board. All information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

DATE :

Signature:

Full name:

Authorised Signatory

Note:

1. * NAV should reflect the published NAV on the reporting date.
2. NAV should be upto 4 decimal.
3. Category of Investment (COI) shall be as per Guidelines issued.

FORM - 3A

(Read with clause 9 of Part III of Schedule III) PART - D

Name of the Insurer:

Registration Number:

Link to FORM 3A (Part A)

Statement as on:

Statement of Accretion of Funds

(Business within India)

Periodicity of Submission : Quarterly

Rs.Crore

No	Category of Investments	POI	Opening Balance	% to Total (A)	Net Accretion for the Qtr.	% to Total Accretion	TOTAL	% to Total (1+2)
			(1)		(2)		(1+2)	
A	LIFE FUND							
1	Central Govt. Sec		Not less than 25%					
2	Central Govt Sec, State Govt Sec or Other Approved Securities (incl (1) above)		Not less than 50%					
3	Investment subject to Exposure Norms							
	a. Housing & Infrastructure		Not less than 15%					
	1. Approved Investments							
	2. Other Investments							
	b. (i) Approved Investments		Not exceeding 35%					
	(ii) Other Investments (Not to exceed 15%)							

Total (A)

=====

No	Category of Investments	POI	Opening Balance	% to Total (B)	Net Accretion for the Qtr.	% to Total Accretion	TOTAL	% to Total (1+2)
			(1)		(2)		(1+2)	
B	PENSION & GENERAL ANNUITY AND GROUP BUSINESS							
1	Central Govt. Sec		Not less than 20%					
2	Central Govt Sec, State Govt Sec or Other Approved Securities (incl (1) above)		Not less than 40%					
3	Balance in Approved investment		Not exceeding 60%					

Total (B)

=====

=====

No	Category of Investments	POI	Opening Balance	% to Total (C)	Net Accretion for the Qtr.	% to Total Accretion	TOTAL	% to Total (1+2)
			(1)		(2)		(1+2)	
C	LINKED FUNDS							
1	Approved Investments		Not less than 75%					
2	Other Investments		Not more than 25%					

Total (C) 100%

=====

=====

CERTIFICATION

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

Date:

Signature:

Full name:

Authorised Signatory_____

Note:

Category of Investment (COI) shall be as per Guidelines issued.

FORM - 3A

(Read with clause 9 of Part III of Schedule III) PART - E

Name of the Insurer:

Registration Number:

Statement as on:

Statement of Investment Details of ULIP Products to Segregated Funds

(Business within India)

Rs. Crore

Periodicity of Submission : Quarterly

INVESTMENT DETAILS OF "ULIP" PRODUCTS [UIN] TO SEGREGATED FUNDS [SFIN]				
Inflow	UIN1	UIN2	UIN n	Total UIN '1' to 'n'
Premium				
Others (Specify)				
TOTAL (A)				
Outflow				
Commission				
Charges				
Claims				
Others				
TOTAL (B)				
Total C = (A-B)				
Policy Funds at "C" above allotted to				
SFIN 1				
SFIN 2				
SFIN n				
TOTAL (D)				
Difference (if any) E = (C-D)				

CERTIFICATION

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

Date:

Signature:

Full name:

Authorised Signatory_____

Note:

1. UIN represents the Unique product number as per 'file and use' approved under ULIP products.
2. SFIN represents the Segregated Fund Identification Number as approved by the Product Approval Committee.
3. Category of Investment (COI) shall be as per Guidelines issued.

FORM - 3B

(Read with clause 9 of Part III of Schedule III) Name of the Insurer:

Registration Number:

Statement as on:

PART - A

Statement of Investment Assets (General Insurer including an insurer carrying on business of re-insurance or health insurance) (*Business within India*)

Rs.Crore

Periodicity of Submission: Quarterly Section I

No	PARTICULARS	SCH ++	AMOUNT
1	Investments(Shareholders)	8	
	Investments(Policyholders)	8A	
2	Loans	9	
3	Fixed Assets	10	
4	Current Assets		
	a. Cash & Bank Balance	11	
	b. Advances & Other Assets	12	
5	Current Liabilities		
	a. Current Liabilities	13	
	b. Provisions	14	
	c. Misc. Exp not Written Off	15	
	d. Debit Balance of		

No	PARTICULARS	SCH ++	AMOUNT
	P&L A/c		

**Application of Funds
as per Balance Sheet
(A)** 0

	Less: Other Assets	SCH ++	Amount
1	Loans (if any)	9	
2	Fixed Assets (if any)	10	
3	Cash & Bank Balance (if any)	11	
4	Advances & Other Assets (if any)	12	
5	Current Liabilities	13	
6	Provisions	14	
7	Misc. Exp not Written Off	15	
8	Investments held outside India		
9	Debit Balance of P&L A/c		

Total TOTAL 0

(B) _____

**'Investment Assets'
As per FORM 3B (A-B) 0**
=====
===

Section II

No	'Investment' represented as	Reg. %	SH		PH	Book Value (SH + PH)	% Actual	FVC Amount	Total	Market Value (h)
			Balance	FRSM ⁺						
			(a)	(b)						
1	Central Govt. Securities	Not less than 20%								
2	Central Govt Sec, State Govt Sec or Other Approved Securities (incl (1) above)	Not less than 30%								
3	Investment subject to Exposure Norms									
	a. Housing / Infra & Loans to SG for Housing and FFE	Not less than 15%								
	1. Approved Investments									
	2. Other Investments									
	b. Approved Investments	Not exceeding 55%								
	c. Other									

No	'Investment' represented as	Reg. %	SH		PH	Book Value (SH + PH)	% Actual	FVC Amount	Total	Market Value (h)
			Balance	FRSM*						
			(a)	(b)						
	Investments									

Investment Assets 100%

=====

Infrastructure Reconciliation

Investment represented As	% As per Reg.	SH		PH	Book Value (SH+PH)	ACTUAL %	FVC Amount	Total	Market Value
		Balance	FRSM*						
		(a)	(b)						
3 a.(2) + 3 c above	Not exceeding 15%								
Total Housing & Infrastructure From 1, 2 & 3	Not Less than 15%								

Certification:

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

Date:

Signature:

Full name:

Authorised Signatory

- Note: 1. (+) FRSM refers 'Funds representing Solvency Margin'
2. Other Investments' are as permitted under 27A(2) of Insurance Act 1938 as amended from time to time.
3. Pattern of Investment is applicable to both Shareholders funds representing solvency margin and policyholders funds.
4. Exposure Norms shall apply to Funds held beyond Solvency Margin, held in a separate Custody Account.
5. SCH (++) refers to Schedules to Balance Sheet, prepared as per IRDAI (Actuarial, Finance and Investment) Regulations, 2024
6. Category of Investment (COI) shall be as per Guidelines issued.

FORM - 3B
(Read with clause 9 of Part III of Schedule III)

Name of the Insurer:

PART - B

Registration Number:

Statement as on:

Statement of Accretion of Assets

Rs. Crore

(Business within India)

Periodicity of Submission : Quarterly

No	Category of Investments	COI	Opening Balance	% to Opening Balance	Net Accretion for the Qtr.	% to Total Accrual	TOTAL	% to Total
			(A)		(B)		(A+B)	
1	Central Govt. Securities							
2	Central Govt Sec, State Govt Sec or Other Approved Securities (incl (i) above)							
3	Investment subject to Exposure Norms							
	a. Housing & Loans to SG for Housing and FFE							
	1. Approved Investments							
	2. Other Investments							
	b. Infrastructure Investments							
	1. Approved Investments							

No	Category of Investments	COI	Opening Balance	% to Opening Balance	Net Accretion for the Qtr.	% to Total Accrual	TOTAL	% to Total
			(A)		(B)		(A+B)	
	2. Other Investments							
	c. Approved Investments							
	d. Other Investments (not exceeding 15%)							

Total

=====

=====

Certification:

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

Date:

Signature: _____

Full name:

Authorised Signatory

Note:

- a. Total (A+B), fund wise should tally with figures shown in Form 3B (Part A)
- b. Category of Investment (COI) shall be as per Guidelines issued.

FORM - 4

(Read with clause 9 of Part III of Schedule III)

PART B

Name of the Insurer:

Registration Number:

Statement as on:

INTERNAL / CONCURRENT AUDITOR'S CERTIFICATE ON INVESTMENT RISK MANAGEMENT SYSTEMS - IMPLEMENTATION STATUS

No	Annexure Ref	Audit Objective	Audit Observation	Severity of Non Compliance	Action(s) taken for Compliance	MMM/YYYY Committed by the Insurer's Board to IRDAI for complying with the requirement	Proof provided (or) demonstrated by the Insurer, to the Auditor to comply with the Requirement	Remarks & Comments of Audit Committee of the Board on non-compliance of 'time frame' communicated to IRDAI on implementing Systems & Processes
1	2	3	4	5	6	7	8	9
A	ISSUES OF PREVIOUS QUARTER(S)							
B	ISSUES TO BE COMPLIED IN CURRENT QUARTER							

No	Annexure Ref	Audit Objective	Audit Observation	Severity of Non Compliance	Action(s) taken for Compliance	MMM/YYYY Committed by the Insurer's Board to IRDAI for complying with the requirement	Proof provided (or) demonstrated by the Insurer, to the Auditor to comply with the Requirement	Remarks & Comments of Audit Committee of the Board on non-compliance of 'time frame' communicated to IRDAI on implementing Systems & Processes

CERTIFICATE

We certify that all issues, to be reported to IRDAI on implementation of Investment Risk Management Systems and Process, for the Quarter and pending issues of previous Quarter(s) [as committed to IRDAI], and as listed in the Chartered Accountant's Certificate issued, vide IRDAI Circular, have been covered in the above table.

Chartered Accountants

(Internal / Concurrent Auditor)

Place:

Date:

Note:

1. **No.** (under Col. 1 in above table) shall be as per the Annexure(s) to the Certificate issued by the Chartered Accountant appointed to certify implementation of Investment Risk Management Systems and Process.
2. If all the issues have been complied with and no issues to be reported, a NIL statement should be filed.

FORM - 4A

(Read with clause 9 of Part III of Schedule III) PART A

Name of the Insurer:

Registration Number:

Statement as on: Total Investment Assets for the quarter as per FORM 3A/3B:

EXPOSURE NORMS COMPLIANCE - INVESTEE COMPANY

Rs. Crore

No	Investee Company	Whether (Equity/Debt)	Equity		Debt + Others		Equity + Debt + Others		Deviation Amount		
			Eligibility Limit as per Clause 8 of Regulation 6(3)	Actual	Eligibility Limit as per Clause 8 of Regulation 6(3)	Actual	Eligibility Limit as per Clause 8 of Regulation 6(3)	Actual	Equity	(Debt + Others)	Equity + Debt + Others

CERTIFICATION

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

Signature: _____

Date:

Full name: _____

Authorised Signatory _____

Note:

1. Above table shall be compiled separately for Life, Pension & General Annuity and Group Business and Individually for each Segregated Fund (SFIN) AND at Assets under Management Level.
2. Only (-ve) deviations are to be reported.
3. Exposure would be on the basis of Book Value for Non-unit linked funds & on Market Value for Unit linked Funds.

FORM - 4A

(Read with clause 9 of Part III of Schedule III)

Name of the Insurer:

PART B

Registration Number:

Total Investment Assets for the quarter as per FORM 3A/3B:

Statement as on:

Rs. Crore

EXPOSURE NORMS COMPLIANCE- PROMOTER GROUP

No	Name of Group Company	Eligibility Limit as per Clause 8 of Regulation 6(3)	Actual Investment	Actual Investments (Cumulative)	Deviation
a	b	c	d	e	f=c-e

CERTIFICATION

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

Signature: _____

Date:

Full name: _____

Authorised Signatory _____

Note:

1. Above table shall be compiled in aggregate of its total investments.
2. Exposure would be on the basis of Book Value for Non-unit linked funds & on Market Value for Unit linked Funds.

FORM - 4A

(Read with clause 9 of Part III of Schedule III) PART C

Name of the Insurer:

Registration Number:

Statement as on:

Rs. Crore

Total Investment Assets as per FORM 3A/3B:

EXPOSURE NORMS COMPLIANCE- GROUP

No	Name of Group Company	Eligibility Limit as per Clause 8 of Regulation 6(3)	Actual Investments	Deviation
a	b	c	d	e=c-d

Total _____

CERTIFICATION

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

Signature: _____

Date:

Full name: _____

Authorised Signatory _____

Note:

1. Above table shall be compiled separately for Life, Pension & General Annuity and Group Business and Individually for each Segregated Fund (SFIN) AND at Assets under Management Level its total investment assets.
2. Exposure would be on the basis of Book Value for Non-unit linked funds & on Market Value for Unit linked Funds.
3. The Total of Column 'd' should reconcile with Total Investment Assets as per FORM 3A.

FORM - 4A

(Read with clause 9 of Part III of Schedule III) PART D

Name of the Insurer:

Registration Number:

Statement as on:

Rs.Crore

Total Investment Assets as per FORM 3A/3B:

EXPOSURE TO INDUSTRY SECTOR

No	Name of Industry Sector (as per Regulations)	Eligibility Limit as per Clause 8 of Regulation 6(3)	Actual Investments	Deviation
a	b	c	d	e=c-d

Total _____

CERTIFICATION

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

Signature: _____

Date:

Full name: _____

Chief of Finance _____

Note:

1. Above table shall be compiled separately for Life, Pension & General Annuity and Group Business and Individually for each Segregated Fund (SFIN) AND at Assets under Management Level its total investment assets.
2. Exposure would be on the basis of Book Value for Non-unit linked funds & on Market Value for Unit linked Funds.
3. The Total of Column 'd' should reconcile with Investment Assets as per FORM 3A.

FORM - 5

(Read with clause 9 of Part III of Schedule III)

Name of the Insurer:

Registration Number:

Statement as on:

Statement of Investment Reconciliation

Name of the Fund: _____

(Business within India)

Rs.Crore

Periodicity of Submission : Quarterly

No	Category of Investments	COI	Opening Balance		Purchase for the Period		Sale for the Period		Adjustments		Closing Balance			% to Total (1+2+3)
			Face Value	Book Value	Face Value	Book Value	Face Value	Book Value	Face Value	Book Value	Face Value	Book Value	Makret Value	
1	Central Govt. Securities													
										Total (1)				
2	Central Govt. Sec, State Govt Sec or Other Approved Sec.													
										Total [1+2]				
3	Investments subject to Exposure Norms													
	(a) Housing & Loans to State Govt for Housing / FFE													
	1. Approved Investments													
	2. Other Investments													
										Total [3(a)]				
	(b) Infrastructure Investments													
	1. Approved Investments													
	2. Other Investments													
										Total [3(b)]				
	(c) Approved Investments													
										Total [3(c)]				
	(d) Other Investments													
										Total				

No	Category of Investments	COI	Opening Balance		Purchase for the Period		Sale for the Period		Adjustments		Closing Balance			% to Total (1+2+3)
			Face Value	Book Value	Face Value	Book Value	Face Value	Book Value	Face Value	Book Value	Face Value	Book Value	Market Value	
										(3(d))				
										Total [3 (a+b+c+d)]				
										TOTAL	Total (1+2+3)			

CERTIFICATION

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief. Also, certified that all Cash Market transactions executed on the Stock Exchange are made only on Delivery basis.

Date :

Signature _____

Full Name & Designation

Authorised Signatory

NOTE:

1. *Individual Categories under each of the above Major heads should be listed with Category Code.*
2. *FORM-5 shall be prepared in respect of each fund. In case of ULIP Form 5 shall be prepared at Segregated Fund (SFIN) level and also at consolidated level.*
3. *Each sub-total of FORM-5 shall be linked to its corresponding head in PART-A of FORM-3A / FORM-3B.*
4. *'Other Investments' are as permitted under Sec 27A(2) of the Insurance Act, 1938 as amended from time to time.*
5. *The '% to Total' Column, in the case of Non-Linked funds shall be computed on Book Value and in the Case of Linked Funds it shall to Market Value.*

FORM - 6

(Read with clause 9 of Part III of Schedule III)

Name of the Insurer:

Registration Number:

Name of the Fund: _____

Statement as on:

Certificate under Section 27A (5) of Insurance Act, 1938

Rs.Crore

Periodicity of Submission : Quarterly

No	Investment Particulars	Under the Custody of						
		Bank / Custody (Rs)		Self (Rs)		Others (Rs)		Total (Rs)
		Share Holders	Policy Holders	Share Holders	Policy Holders	Share Holders	Policy Holders	SH + PH
1	Central Govt. Securities							
2	Central Govt Securities, State Govt Securities or Other Approved Securities							
3	Investment subject to Exposure Norms							
	a. Housing & Loans to State Govt. for Housing & FFE							
	1. Approved Investments							
	2. Other Investments							
	b. Infrastructure Investments							
	1. Approved Investments							
	2. Other Investments							
	c. Approved Investments							
	d. Other Investments							
	TOTAL							

CERTIFICATE

We certify that the above mentioned securities are held free of any encumbrance, charge, hypothecation, or lien as on the above date.

Signature: _____

Signature: _____

Signature: _____

Full name: _____ Full name: _____ Full name: _____
Chairman: _____ Director 1: _____ Director 2: _____

Signature: _____
Full name: _____
Principal Officer: _____

Note

1. *Custodian should certify that he is not disqualified under SEBI (Custodian of securities) Regulations, 1996 as amended from time to time.*
2. *In the case of Life Insurance Business, FORM-6 shall be prepared in respect of each fund and in aggregate for Segregated Funds.*
3. *The values under certificate should be adjusted for Purchase / Sale of investments purchased and awaiting settlement. A reconciliation to this effect should be attached to the Certificate.*

FORM 7

Name of the Fund

(Read with clause 9 of Part III of Schedule III)

DETAILS OF NON-PERFORMING ASSETS

Name of the Insurer:

Registration No:

(Rs.Crore)

NO	PARTICULARS	Bonds / Debentures		Loans		Other Debt instruments		All Other Assets		TOTAL	
		YTD (As on date)	Prev. FY (As on 31 Mar)	YTD (As on date)	Prev. FY (As on 31 Mar)	YTD (As on date)	Prev. FY (As on 31 Mar)	YTD (As on date)	Prev. FY (As on 31 Mar)	YTD (As on date)	Prev. FY (As on 31 Mar)
1	Investments Assets (As per Form 5)										
2	Gross NPA										
3	% of Gross NPA on Investment Assets (2/1)										
4	Provision made on NPA										
5	Provision as a % of NPA (4/2)										
6	Provision on Standard Assets										
7	Net Investment Assets (1-4)										
8	Net NPA (2-4)										
9	% of Net NPA to Net Investment Assets (8/7)										
10	Write off made during the period										

Certification

Certified that the information given herein are correct and complete to the best of my knowledge. Also certified that the various investments made and covered in the return are **within** the exhaustive categories provided in Investment Guidelines as amended from time to time.

Signature: _____
 Full name: _____
 Chief of Finance

Note:

1. The above statement, in the case of 'Life' Insurers shall be prepared 'fund-wise' Viz. Life Fund, Pension & Group Fund, ULIP Fund and at Assets Under Management level also.
2. Total Investment Assets should reconcile with figures shown in Form 3A / 3B.
3. Gross NPA is investments classified as NPA, before any provisions.
4. Provision made on the 'Standard Assets' shall be as per Circular issued, as amended from time to time.
5. Net Investment assets is net of 'provisions'.

6. *Net NPA is gross NPAs less provisions.*
7. *Write off as approved by the Board.*

Name of the Insurer:
 Registration No:
DAILY RECONCILIATION OF ULIP PORTFOLIO

FORM - D01
 Report Date

Unique Identity Number (UIN)	Name of the Product	Segregated Fund Identification Number (SFIN)	Name of the Fund	Life / Group Policy Admin System					
				Opening Unit Capital (as at the start of the day) (Amount in Rs)	Opening Units (as of the start of the day) (Number of Units)	Net Amount collected or redeemed (net of charges) for the day (Amount in Rs)	Net units allotted or redeemed for the day (Number of Units)	Closing unit capital (as at the end of the day) (Amount in Rs)	Closing units (as at the end of the day) (Number of Units)
				(a)	(b)	(c)	(d)	(e) = (a) + (c)	(f) = (b) + (d)
X	A	XYZ	Fund Name 1						
Y	B								
Z	C								
			Sub total						
L	D	ABC	Fund Name 'n'						
M	E								
			Sub total						

Investment Management System										
SFI N	Name of the Fund	Opening fund Value (as at the start of the day)	Opening units (as at the start of the day) (Number of Units)	Additional fund Value created or redeemed for the day	Additional Units created or redeemed for the day	Investment income for the day (including unrealised gain/loss)	FMC charges deducted for the day	Closing fund Value (as at the end of the day)	Closing Units (as at the end of the day) (Number of units)	NAV per Unit declared
		(g)	(h)	(i)	(j)	(k)	(l)	(m) = (g)+(i)+(k)-(l)	(n) = (h) + (j)	(o) = (m) / (n)
	Fund 1									
	Fund 2									
	Fund 'n'									

NOTES:

1. Opening units as per Life / Group Policy Admin System of previous NAV day [refer (b)] shall reconcile with Opening Units as per Investment Management System [refer (h)].
2. Additional fund or Units created or redeemed for the day in Investment Management System [refer (i) and (j)] shall reconcile with Net Amount or Units collected or redeemed as per Life / Group Policy Admin System [refer (c) and (d)].
3. Closing units as per Life / Group Policy Admin System of previous NAV day [refer (f)] shall reconcile with Closing Units as per Investment Management System [refer (n)]
4. NAV per unit declared [refer (O)] must reconcile with NAV per unit uploaded on Life Insurance council's website.
5. The unit movements of day "T" in Life/Group Admin System shall flow into Investment Management System with a maximum time lag of 1 working day i.e T+1.

**XYZ Life Insurance
 Company Limited
 Statement of Product
 Value**

Registration No:

Policyholder ID _____ Login Dt _____

Name of Policyholder _____

FORM - D02

Address:

--

PART - A

Product	UIN	Premium incl. Top-up (Rs)	Premium Allocation Charge (Rs)	Funds Allocated (Rs)	Units as per Policy Admin System (PAS)	Value per Unit (Rs)	Product Value (Rs)
ZXY Premium Plus							

[A]

PART -B

Rs.

Particulars	SFIN	SFIN	E SFIN
Name of the Fund	Fund X	Fund Y	Total
Units (as per Investment Management System)			
Percentage of Allocation (as on Login Dt)	%	%	%
Funds Allocated			
Switch In			
Switch Out			
Withdrawals			

Charges

Allocation Charges			
Switch charge			
Policy Administration charge			
Mortality charges			
Other charges (specify)			
GST			
Total amount invested in Segregated funds			
Current NAV			
Fund value as on Login Dt:			

[B]

PART - C (Product Statistics)

Insurance Cover over the interim reporting period from dd/mm/yyyy to dd/mm/yyyy	
Total Premium Paid from inception	
Total Risk premium from inception, for insurance cover	
Total Charges and deductions other than Mortality including Allocation charges till Login Dt. (including Service Charges)	
Difference between (A) (B) (unrealised Gain / Loss)	
Portfolio value on Net Investment as per Benefit Illustration at the lower rate as prescribed in the regulations	
Portfolio value on Net Investment as per Benefit Illustration at the upper rate prescribed in the regulations	

NOTE:

1. Product Portfolio value would be aggregate of all fund values in a product.
2. Product value per unit would be arrived at post dividing aggregate fund value by initial

units

3. *Consolidated Product Value would be derived by aggregating the product values and dividing the same by consolidated initial units.*
4. *Product Value would be in addition to all the existing disclosures and calculations.*
5. *Current prescribed practices shall continue.*

Annexure ActI- 1**Form H****(See Regulation 2(2) of Part III (B) of Schedule I)****Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024**

Summary of Valuation as at 31st MARCH _____

Name of the Insurer:

Form Code:

Date of Registration:

Registration Number:

Item No.	Type	Category of Business	Mathematical Reserves (inclusive of cost of bonuses allocated)
(1)		(2)	(3)
		Business within India:	
01	Par	Non-Linked Business	
02		Linked Business	
03		VIP-Non Linked Business	
04		VIP-Linked Business	
05		TOTAL (total of the items (1) to (4))	
06	Non-Par	Non-Linked Business	
07		Linked Business	

08		VIP-Non Linked Business	
09		VIP-Linked Business	
10		TOTAL (total of the items (6) to (9))	
11		Grand TOTAL (total of the items (5) and (10))	
		Total Business:	
12	Par	Non-Linked Business	
13		Linked Business	
14		VIP-Non Linked Business	
15		VIP-Linked Business	
16		TOTAL (total of the items (12) to (15))	
17	Non-Par	Non-Linked Business	
18		Linked Business	
19		VIP-Non Linked Business	
20		VIP-Linked Business	
21		TOTAL (total of the items (17) to (20))	
22		Grand TOTAL (total of the items (16) and (21))	

Note:

- 1 All figures should be in thousands
- 2 Mathematical reserves in Col (3) shall be furnished inclusive of cost of bonuses allocated

Form NLB**(See Regulation 2(2) of Part III B of Schedule I)**

Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024

Summary and Valuation of policies as at 31st March

Name of the Insurer:

Date of Registration:

Form Code

Classification:

Registration Number:

Classification Code:

Type:

Type Code:

Item No.	Sub Class	Description	Policy Particulars							Valuation Details											
			Number of policies	Number of Lives	Sum assured on Death / Rider	Sum Assured on Maturity	Vested Bonus	Annuity pa	Others, if any	Annualized Premium	Benefits (eg. Death, maturity, guaranteed addns. Etc.)	Annuity	Vested Bonus	Future Bonus	Cost of Bonus Allocated	Terminal Bonus	Expenses and Commission	Future Premiums	Math Reserve (before Adj)	Neg Reserve adjustment	Surrender Value

(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
		INDIVIDUAL BUSINESSES																				
	Life Business	Before Reinsurance																				
		After Reinsurance																				
	Pension	Before Reinsurance																				
		After Reinsurance																				
	General Annuity	Before Reinsurance																				
		After Reinsurance																				
	Health	Before Reinsurance																				
		After Reinsurance																				
		GROUP BUSINESSES																				
	Life Business	Premiums Guaranteed for one year:																				
		Before																				

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
		INDIVIDUAL BUSINESS														
	Life Business	With Guarantees:														
01		Before Reinsurance														
02		After Reinsurance														
		Without Guarantees:														
03		Before Reinsurance														
04		After Reinsurance														
	Pension	With Guarantees:														
05		Before Reinsurance														
06		After Reinsurance														
		Without Guarantees:														
07		Before Reinsurance														
08		After Reinsurance														
	General Annuity	With Guarantees:														
09		Before Reinsurance														
10		After Reinsurance														
		Without Guarantees:														
11		Before Reinsurance														
12		After Reinsurance														
	Health	With Guarantees:														
13		Before Reinsurance														
14		After Reinsurance														

		Without Guarantees:														
15		Before Reinsurance														
16		After Reinsurance														
		GROUP BUSINESS														
	Life Business	With Guarantees:														
17		Before Reinsurance														
18		After Reinsurance														
		Without Guarantees:														
19		Before Reinsurance														
20		After Reinsurance														
	Pension	With Guarantees:														
21		Before Reinsurance														
22		After Reinsurance														
		Without Guarantees:														
23		Before Reinsurance														
24		After Reinsurance														
	General Annuity	With Guarantees:														
25		Before Reinsurance														
26		After Reinsurance														
		Without Guarantees:														
27		Before Reinsurance														
28		After Reinsurance														
	Health	With Guarantees:														

29		Before Reinsurance															
30		After Reinsurance															
		Without Guarantees:															
31		Before Reinsurance															
32		After Reinsurance															
		TOTAL BUSINESS															
	TOTALS	With Guarantees:															
33		Before Reinsurance															
34		After Reinsurance															
		Without Guarantees:															
35		Before Reinsurance															
36		After Reinsurance															

Notes:

- 1 All figures should be in thousands
- 2 Col (14) = Col (11) + Col (12) + Col (13)
- 3 Col (17) = Max {Col (14) + Col (15), Col (16)}
- 4 Col (16) = Max { Special Surrender Value, Guaranteed Surrender Value}

Form VIPNLB

(See Regulation 2(2) of Part III B of Schedule I)

Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024

Summary and Valuation of policies as at 31st MARCH

Name of the Insurer:

Date of Registration:

Form Code:

Classification:

Registration Number:

Classification Code:

Type:

Type Code:

Category:

Category Code:

Item NO	Sub Class	Description	Policy				Particulars					Valuation Details										
			Number of policies	Number of Lives	Sum assured on Death / Rider	Sum Assured on Maturity	Vested Bonus	Annuity pa	Others, i any	Annualized Premium	All Benefits (e.g. Death, maturity, guaranteed additions. Etc.)	Annuity	Vested Bonus	Future Bonus	Cost of Bonus Allocated	Terminal Bonus	Expenses and Commission	Future Premium	Math Reserve (before Adj	Neg Reserve adjustment	Surrender Value	Adjusted Math Reserve
(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
		INDIVIDUAL BUSINESS																				
01	Life Business	Before Reinsurance																				

Form VIPLB

(See Regulation 2(2) of Part III B of Schedule I)

Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024

Particulars of Policies and valuation Details as at 31st March.....

Name of the Insurer:

Date of Registration:

Form Code:

Classification:

Registration Number:

Classification Code:

Type:

Type Code:

Category:

Category Code:

Item No.	Sub-Class	Description	Policy Particulars						Valuation Details						
			Number of policies	Number of Lives	Death Benefit / rider benefit	Assured Maturity Benefit	Other Benefits	Annualised Premium	Policy Account Value	Non Policy Account /General fund value	Cost of Bonus	MR before negative reserves	Negative Reserve Adjustment	Surrender Value	Total Reserves
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
		INDIVIDUAL BUSINESS													
	Life Business	With Guarantees:													
01		Before Reinsurance													
02		After Reinsurance													
		Without Guarantees:													
03		Before Reinsurance													

04		After Reinsurance																
	Pension	With Guarantees:																
05		Before Reinsurance																
06		After Reinsurance																
		Without Guarantees:																
07		Before Reinsurance																
08		After Reinsurance																
	General Annuity	With Guarantees:																
09		Before Reinsurance																
10		After Reinsurance																
		Without Guarantees:																
11		Before Reinsurance																
12		After Reinsurance																
	Health	With Guarantees:																
13		Before Reinsurance																
14		After Reinsurance																
		Without Guarantees:																
15		Before Reinsurance																
16		After Reinsurance																
		GROUP BUSINESS																
	Life Business	With Guarantees:																
17		Before Reinsurance																

18		After Reinsurance													
		Without Guarantees:													
19		Before Reinsurance													
20		After Reinsurance													
	Pension	With Guarantees:													
21		Before Reinsurance													
22		After Reinsurance													
		Without Guarantees:													
23		Before Reinsurance													
24		After Reinsurance													
	General Annuity	With Guarantees:													
25		Before Reinsurance													
26		After Reinsurance													
		Without Guarantees:													
27		Before Reinsurance													
28		After Reinsurance													
	Health	With Guarantees:													
29		Before Reinsurance													
30		After Reinsurance													
		Without Guarantees:													
31		Before Reinsurance													
32		After Reinsurance													
		TOTAL BUSINESS													

	TOTALS	With Guarantees:													
33		Before Reinsurance													
34		After Reinsurance													
		Without Guarantees:													
35		Before Reinsurance													
36		After Reinsurance													
Notes: 1 All figures should be in thousands 2 Col (14) = Col (11) + Col (12) + Col (13) 3 Col (17) = Max { Col (14) + Col (15), Col (16)} 4 Col (16) = Max { Special Surrender Value, Guaranteed Surrender Value}															

Annexure ActI- 2

Form IA (Non-Participating)

(See Regulation 2(2) of Part III B of Schedule I)

Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024

Valuation Results as at 31st March.....

Name of the Insurer:

Date of Registration:

Form Code:

Classification:

Registration Number:

Classification Code:

Type:

Type Code:

Item No.	Description	Balance of Fund shown in Balance Sheet	Mathematical reserves (excluding cost of bonuses allocated)	Surplus
(1)	(2)	(3)	(4)	(5)

01		Business within India:			
		Non-Linked			
	a	Non-par Policies - Life			
	b	Non-par Policies - Pensions			
	c	Non-par Policies - Annuity			
	d	Non-par Policies – Health			
		Linked			
	e	Non-par Policies – Life			
	f	Non-par Policies - Pensions			
	g	Non-par Policies - Annuity			
	h	Non-par Policies – Health			
		VIP			
	i	Non-par Policies - Life			
	j	Non-par Policies - Pensions			
02		Totals - Policyholder Funds - within India			
03		Total Business			

		Non-Linked			
	a	Non-par Policies - Life			
	b	Non-par Policies - Pensions			
	c	Non-par Policies - Annuity			
	d	Non-par Policies - Health			
		Linked			
	e	Non-par Policies - Life			
	f	Non-par Policies - Pensions			
	g	Non-par Policies - Annuity			
	h	Non-par Policies - Health			
		VIP			
	i	Non-par Policies - Life			
	j	Non-par Policies - Pensions			
04		Totals - Policyholder Funds			

Notes:

1 All figures should be in thousands

2 Col (5) = Col (3) - Col (4)

Annexure ActI- 3

Form IA (Participating)

(See Regulation 2(2) of Part III B of Schedule I)

Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024

Valuation Results as at 31st March.....

Name of the Insurer:

Date of Registration:

Form Code

Classification:

Registration Number:

Classification Code:

Type:

Type Code:

Item No.	Description	Balance of Fund shown in Balance Sheet	Mathematical reserves allocated	Mathematical reserves (excluding cost of bonuses)	Surplus
(1)	(2)	(3)	(4)	(5)	(5)
01	Business within India:				
	Non-Linked				
	a Life				
	b Pensions				
	c Annuity				
	d Health				
	Non-Linked VIP				
	a Life				
	b Pensions				

	c	Annuity			
	d	Health			
		Linked			
	a	Life			
	b	Pensions			
	c	Annuity			
	d	Health			
		Linked VIP			
	a	Life			
	b	Pensions			
	c	Annuity			
	d	Health			
02		Totals - Policyholder Funds - within India			
03		Total Business			
		Non-Linked			
	a	Life			
	b	Pensions			
	c	Annuity			

	d	Health			
		Non-Linked VIP			
	a	Life			
	b	Pensions			
	c	Annuity			
	d	Health			
		Linked			
	a	Life			
	b	Pensions			
	c	Annuity			
	d	Health			
		Linked VIP			
	a	Life			
	b	Pensions			
	c	Annuity			
	d	Health			
04		Totals - Policyholder Funds			

Notes:

- 1 All figures should be in thousands
- 2 Col (5) = Col (3) - Col (4)

Annexure ActI- 4**Form I****(See Regulation 2(2) of Part III B of Schedule I)**

Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024

Valuation Results as at 31st March.....

Name of the Insurer:

Date of Registration:

Form Code

Classification:

Registration Number:

Classification Code:

Item No.	Description	Balance of Fund shown in Balance Sheet	Mathematical reserves (excluding cost of bonuses allocated)	Surplus
(1)	(2)	(3)	(4)	(5)
01	Business within India:			
	a Participating Policies			
	b Non-participating Policies			
02	Totals - Policyholder Funds - within India			
03	Total Business			

	a	Participating Policies			
	b	Non-participating Policies			
04		Totals - Policyholder Funds			

Note:

- 1 All figures should be in thousands
- 2 Col (5) = Col (3) - Col (4)
- 3 The figures shown in column (3) includes surplus in the policyholder fund; it is the Balance Sheet position of assets prior to any transfer being made out to the shareholder fund.
- 4 The figures shown in (3) and the Surplus shown in (5) also includes shareholder transfer to the policyholder fund in order to meet the deficits in some segments.
- 5 The figures shown in column (3) for Par business does not include the amount of interim and terminal bonus paid to the policyholder during the inter valuation period amounting Rs. X.

Annexure Actl- 5

FORM IRDAI-ASSETS-AA

(See Regulation 2(2) of Part III B of Schedule I)

Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024

Statement of Assets as at 31st MARCH.....

Name of the Insurer:

Date of Registration:

Form Code

Classification:

Registration Number:

Classification Code:

Form AA

Particulars (Amount in 000's)	Policyholders A/C	Shareholders A/C	Total
Investments			
Investments Shareholder' SCH 8(A)			-

Policyholders' SCH-8A(B)			-
Assets held to cover linked liabilities SCH-8B(C)			-
Total Investments as per BS# (D)=(A)+(B)+(C)			-
Inadmissible Investment assets***(E)			-
Fixed assets			
Fixed assets as per BS (F)			-
Inadmissible Fixed assets***(G)			-
Current Assets			
Cash & Bank Balances as per BS.....(H)			
Advances and Other assets as per BS(I)			
Total Current Assets as per BS (J) = (H) + (I)			
Inadmissible Current assets***(K)			
Current Liabilities & Provisions			
Current Liabilities as per BS.....(L)			
Provisions as per BS (M)			
Total Current Liabilities & Provisions(N) = (L) + (M)			
Policy Loans			
Policy and Other Admissible Loans as per BS.....(O)			

Fair Value Change Account subject to minimum of zero(P)			
Total Assets as per BS (Q) = (D) + (F) + (J) - (N) + (O)			
Total Inadmissible assets (R) = (E) + (G) + (K) + (P)			
Total Admissible assets for Solvency — (Q) - (R)			

Note: Policyholders' asset (SCH 8A) should include assets backing General Fund liabilities of linked business. However, SCH 8B will include only assets backing unit liabilities and policy account

*** Inadmissible assets as per Regulation 1 of Part III A of Schedule I of these Regulations.

'BS' indicates 'Balance Sheet'

Annexure Actl- 6

Form KT-1

(See Regulation 2(2) of Part III B of Schedule I)

Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024
Required Solvency Margin based on Mathematical Reserves and Sum at Risk as at 31st March.....

Name of the Insurer:
Classification:

Date of Registration:
Registration Number:

Form Code
Classification Code:

Item No.	Description	Mathematical Reserves before Reinsurance	Mathematical Reserves after Reinsurance	K1	Sum at Risk before Reinsurance	Sum at Risk after Reinsurance	K2	First Factor	Second Factor	Required Solvency Margin
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
01	Non-Participating									

	Non-Linked									
	Division / sub-class / group by									
									
	Linked									
	Division / sub-class / group by									

	VIP Non-Linked									
	Division / sub-class / group by									

	VIP Linked									
	Division / sub-class / group by									

	Total - Non-Participating									

02	Participating									
	Non-Linked									
	Division / sub-class / group by									

	Linked									
	Division / sub-class / group by									

	VIP Non-Linked									
	Division / sub-class / group by									

	VIP Linked									
	Division / sub-class / group by									
	Total - Participating									
	Total									

(1) K1 = 0.85* or (Mathematical Reserves after Reinsurance / Mathematical Reserves before reinsurance), whichever is higher.

(2) $K2 = 0.5$ or (Sum at Risk after reinsurance / Sum at risk before reinsurance), whichever is higher

(3) Col. (11) = [Col. (3) x Col. (5) x Col. (9)] + [Col. (6) x Col. (8) x Col. (10)]

(4) In the computation of the total sum at risk, ignore the contracts for which the sum at risk is a negative figure or does not exist

(5) The first and second factor are x% and y % respectively

(6) K1 and K2 shall be calculated separately for each row.

Required Solvency Margin (RSM) Factors		
	First Factor	Second Factor
1.Type: Non-Participating		
1.1. Category: Non-Linked:		
1.1.1. Division- Individual		
1.1.1.1. Sub-Class- Life Business		
1.1.1.1.a. Other than term	3.00%	0.30%
1.1.1.1.b. Pure Term	3.00%	0.10%
1.1.1.1.c. Term with ROP	3.00%	0.10%
1.1.1.2. Sub-Class- General Annuity	3.00%	0.00%
1.1.1.3. Sub-Class-Pension	3.00%	0.30%
1.1.1.4. Sub-Class- Health	3.00%	0.00%
1.1.2. Division: Group Business:		
1.1.2.1. Sub-class: Life Business :		
1.1.2.1.a. Premiums guaranteed for not more than one year	1.00%	0.10%
1.1.2.1.b. Premiums guaranteed for more than one year	1.00%	0.10%
1.1.2.1.c. Fund Based Non Participating	1.00%	0.10%

1.1.2.1.d Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)	1.00%	0.05%
1.1.2.2. Sub-class: General Annuity	3.00%	0.00%
1.1.2.3. Sub-class: Pension	3.00%	0.10%
1.1.2.4. Sub-Class- Health	3.00%	0.00%
1.2. Category: Linked :		
1.2.1. Division- Individual		
1.2.1.1. Sub-Class- Life Business		
1.2.1.1.a. with guarantees	1.80%	0.20%
1.2.1.1.b. without guarantees	0.60%	0.20%
1.1.2.2. Sub-class: General Annuity		
1.2.1.2.a. with guarantees	1.80%	0.20%
1.2.1.2.b. without guarantees	0.60%	0.20%
1.2.1.3. Sub-Class- Pension		
1.2.1.3.a. With guarantees	1.80%	0.20%
1.2.1.3.b. without guarantees	0.60%	0.20%
1.2.1.4. Sub-Class- Health		
1.2.1.4. a. With guarantees	1.80%	0.00%
1.2.1.4. b. without guarantees	0.60%	0.00%
1.2.2. Division: Group Business:		
1.2.2.1. Sub-Class- Life Business		
1.2.2.1.a. with guarantees	1.80%	0.20%
1.2.2.1.b. without guarantees	0.60%	0.20%

1.2.2.2. Sub-Class- General Annuity		
1.2.2.2.a. with guarantees	1.80%	0.20%
1.2.2.2.b without guarantees	0.60%	0.20%
1.2.2.3. Sub-Class- Pension		
1.2.2.3.a. With guarantees	1.80%	0.20%
1.2.2.3.b. without guarantees	0.60%	0.20%
1.2.2.4. Sub-Class- Health		
1.2.2.4.a. With guarantees	1.80%	0.00%
1.2.2.4.b. without guarantees	0.60%	0.00%
2. Type: Participating		
2.1. Category: Non-Linked:		
2.1.1. Division- Individual		
2.1.1.1. Sub-Class- Life Business	3.00%	0.30%
2.1.1.2. Sub-Class- General Annuity	3.00%	0.00%
2.1.1.3. Sub-Class- Pension	3.00%	0.10%
2.1.1.4. Sub-Class- Health	3.00%	0.00%
2.1.2. Division: Group Business:		
2.1.2.1. Sub-class: Life Business :		
2.1.2.1.a. Premiums guaranteed for not more than one year	1.00%	0.10%
2.1.2.1.b. Premiums guaranteed for more than one year	1.00%	0.10%
2.1.2.1.c. Fund Based Participating	1.00%	0.10%
2.1.2.2. Sub-class: General Annuity	3.00%	0.00%

2.1.2.3. Sub-class: Pension	3.00%	0.10%
2.1.2.4. Sub-Class- Health	3.00%	0.00%
2.2. Category: Linked :		
2.2.1. Division- Individual		
2.2.1.1. Sub-Class- Life Business		
2.2.1.1.a. with guarantees	1.80%	0.20%
2.2.1.1.b. without guarantees	0.60%	0.20%
2.2.1.2. Sub-Class- General Annuity		
2.2.1.2.a. with guarantees	1.80%	0.20%
2.2.1.2.b. without guarantees	0.60%	0.20%
2.2.1.3. Sub-Class- Pension		
2.2.1.3.a. With guarantees	1.80%	0.20%
2.2.1.3.b. without guarantees	0.60%	0.20%
2.2.1.4. Sub-Class- Health		
2.2.1.4.a. With guarantees	1.80%	0.00%
2.2.1.4.b. without guarantees	0.60%	0.00%
2.2.2. Division: Group Business:		
2.2.2.1. Sub-Class- Life Business		
2.2.2.1.a. with guarantees	1.80%	0.20%
2.2.2.1.b. without guarantees	0.60%	0.20%
2.2.2.2. Sub-Class- General Annuity		
2.2.2.2.a. with guarantees	1.80%	0.20%

2.2.2.2.b. without guarantees	0.60%	0.20%
2.2.2.3. Sub-Class- Pension		
2.2.2.3.a. With guarantees	1.80%	0.20%
2.2.2.3.b. without guarantees	0.60%	0.20%
2.2.2.4. Sub-Class- Health		
2.2.2.4. a. With guarantees	1.80%	0.00%
2.2.2.4. b. without guarantees	0.60%	0.00%

Notes:

- (1) The Factors Applicable to the Adjustments shall be as per the nature of the Base products
- (2) The Factors Applicable to the Riders shall be as per the following table:

Riders	First Factor	Second Factor
For Health Insurance Rider	3.00%	0.00%
For Other than Health Insurance Rider	3.00%	0.10%

Annexure Actl- 7

Form KT-2

(See Regulation 2(2) of Part III B of Schedule I)

Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024

Required Solvency Margin based on Assets of Policyholders' Funds as at 31st March.....

Name of the Insurer:

Date of Registration:

Form Code

Classification:

Registration Number:

Classification Code:

Item No.	Category of Asset	Notes	Amount (see Notes below) Rs.	Third Factor %	Required Solvency Margin
	(1)	(2).	(3)	(4)	(5)
	Non-Mandated investments				
	Corporate Bonds				
01	AAA or Equivalent *				
02	AA or Equivalent **				
03	A or Equivalent				
04	BBB or Equivalent				
05	BB or Equivalent				
06	B or Equivalent				

07	Lower than B				
08	Unrated ***				
	Mortgages				
09	Residential				
10	Commercial				
	Real Estate				
11	Residential				
12	Commercial				
	Preference Shares				
13	Listed Preference Shares				
14	Unlisted Preference Shares				
	Equity				
15	Listed Ordinary Shares				
16	Unlisted Ordinary Shares				
17	Total				
(1)	Column (5) = Column (3) X Column (4)				
(2)	Column (4) = zero until further intimation from the Authority				

(3) The table should show the amount (in column (3)) which is Balance Sheet Value in respect of the above mentioned category of asset (where the Balance Sheet is prepared in accordance with Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024

Annexure ActI- 8

Form KT-3

(See Regulation 2(2) of Part III B of Schedule I)

Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024

Available Solvency Margin and Solvency Ratio as at 31st March.....

Name of the Insurer:

Date of Registration:

Form Code

Classification:

Registration Number:

Classification Code:

Item	Description	Notes No...	Adjusted Value
(1)	(2)	(3)	(4)
01	Available Assets in Policyholders' Fund:	1	
	Deduct:		
02	Mathematical Reserves	2	
03	Other Liabilities	3	
04	Excess in Policyholders' funds (01-02-03)		

05	Available Assets in Shareholders Fund:	4	
	Deduct:		
06	Other Liabilities of shareholders' fund	3	
07	Excess in Shareholders' funds (05-06)		
08	Total ASM (04)+(07)		
09	Total RSM		
10	Solvency Ratio (ASM/RSM)		

Certification:

I, the Appointed Actuary, certify that the above statements have been prepared in accordance with the section 64VA of the Insurance Act, 1938, as amended from time to time; and the amounts mentioned therein are true and fair to the best of my knowledge.

Place

Date:

Name and Signature of Appointed Actuary

Name and Signature of CEO

Notes:

1. All figures shall be in thousands;
2. Item No. 01 shall be the amount of the Total Admissible assets for Solvency as mentioned in Form IRDAI-Assets- AA under Policyholders A/C;
3. Item No. 02 shall be the amount of Mathematical Reserves as mentioned in Form H;
4. Item Nos. 03 and 06 shall be the amount of other liabilities as mentioned in the Balance Sheet;

- 5. Items No. 05 shall be the amount of the Total Admissible assets for Solvency as mentioned in Form IRDAI-Assets- AA under Shareholders A/C;
- 6. Items No. 09 shall be the sum total of the Required Solvency Margins arrived in the manner as specified under Form KT-1 and KT-2 of Part III (B) of Schedule-I of these regulations.

<p>Annexure Actl- 9</p> <p style="text-align: center;">Form S</p> <p style="text-align: center;">(See Regulation 2(2) of Part III B of Schedule I)</p> <p style="text-align: center;">Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024</p> <p style="text-align: center;">Composition and Distribution of Surplus as at 31st March.....</p> <p>Name of the Insurer: _____ Date of Registration: _____ Form Code _____</p> <p>Classification: _____ Registration Number: _____ Classification Code: _____</p> <p>Type: _____ Type Code: _____</p>						
Composition of surplus						
		Life	Pension	General Annuity	Health	Total
01	Surplus emerged during the year					
02	Interim bonus paid during the inter valuation period					
03	Terminal Bonus paid during the inter valuation period.					

04	Loyalty Additions or other forms of bonuses, if any, paid during the inter-valuation period					
05	Sums transferred from shareholders fund during the inter-valuation period					
06	Amount of surplus, from policyholders' funds, brought forward from preceding valuation					
07	Total Surplus[2] (Sum of items 1 to 6)					
Distribution of surplus						
		Life	Pension	General Annuity	Health	Total
01	To Interim Bonuses paid					
02	To Terminal Bonuses					
03	To Loyalty Additions or any other forms of bonuses, if any					
04	Among policyholders with immediate participation					
05	Among policyholders with deferred participation					
06	Among policyholders in the discounted bonus class or Cash Bonus					
07	To every reserve fund or other fund or account					

08	As carried forward un-appropriated					
09	To the shareholders' funds (any such sums passed through the accounts during the inter valuation period to be separately stated)					
10	Total Surplus allocated (Sum of items 1 to 9)					

FORM IRDAI-GI-TA

(See Regulation 5 of Part IV of Schedule-I of these Regulations)

STATEMENT OF ADMISSIBLE ASSETS as at 31st March.....

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
Investments			
Investments Shareholder' SCH 8 (A1)			
Policyholders' SCH 8A (A2)			
Total Investments as per BS (A) = (A1) + (A2)			
Inadmissible investment assets ¹ --- (B)			
Fixed assets			
Fixed assets as per BS (C)			
Inadmissible Fixed assets ¹ ----- (D)			
Current Assets			
Cash & Bank Balances as per BS (E)			
Advances and Other assets as per BS (F)			
Total Current Assets as per BS (G) = (E) + (F)			

Particulars	Policyholders A/C	Shareholders A/C	Total
Inadmissible Current assets ¹ ----- (H)			
Loans			
Loans as per BS (I)			
Fair Value Change Account subject to minimum of zero (J)			
Total Assets as per BS (K) = (A) + (C) + (G) + (I)(Excluding current liabilities and provisions)			
Total Inadmissible assets (L) = (B) + (D) + (H) + (J)			
Total Admissible assets for Solvency (K) - (L) (Excluding current liabilities and provisions)			

We certify that the statement has been prepared in accordance with **Part IV of Schedule I** of these Regulations.

Name and Signature of Appointed Actuary

Name and Signature of Statutory Auditor

Name and Signature of Chief Executive Officer

Place

Date

Note:

1. Inadmissible assets shall be the assets which are placed with zero value as per Part IV of these Regulations

Annexure ActI-11

FORM IRDAI-GI-TR

(See Regulation 5 of Part IV of Schedule-I of these Regulations)

Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of insurers)
Regulations, 2024

STATEMENT OF LIABILITIES as at 31st March.....

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

Certification

(1) Certification by the 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, 2024 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 by 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 (Actuarial, Finance and Investment Functions of insurers) Regulations, 2024. These reserves, estimated as on the 31st 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 the 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 31st Day of March of 2024.
- (b) The data provided to the Appointed Actuary reconciles with the Audited Financials as at 31st Day of March 2024.
- (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 by the 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 determination of UPR):

Name of the Insurer:

Place:

Date:

Name and Signature of the Chief Financial Officer

Annexure ActI- 12

FORM IRDAI-GI-SM

(See Regulation 5 of Part IV of Schedule-I of these Regulations)

Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of insurers) Regulations, 2024

TABLE - 1

STATEMENT OF SOLVENCY MARGIN as at 31st March.....

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								0.50	0.50
02	Marine Cargo								0.60	0.60
03	Marine – Other than Marine Cargo								0.50	0.50
04	Motor								0.75	0.75
05	Engineering								0.50	0.50
06	Aviation								0.50	0.50
07	Liability								0.75	0.75
08	Health								0.75	0.75
09	Miscellaneous								0.70	0.70
10	Crop Insurance								0.70	0.70
	Total									

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' from the valuation date

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

(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)	(2)	(3)
ITEM NO.	DESCRIPTION	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:

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

Annexure ActI-13

FORM IRDAI-RI-TA

(See Regulation 5 of Part IV of Schedule I)

Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of insurers) Regulations, 2024

STATEMENT OF ADMISSIBLE ASSETS as at 31st March.....

Name of reinsurer:

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
Investments			
Investments Shareholder' SCH 8			
Policyholders' SCH 8A			
Total Investments as per BS (A)			
Inadmissible investment assets ¹ --- (B)			
Fixed assets			
Fixed assets as per BS(C)			
Inadmissible Fixed assets ¹ ----- (D)			

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

We certify that the statement has been prepared in accordance with Regulation 3 of Part V of the Schedule I of these Regulations.

Name and Signature of Appointed Actuary

Name and Signature of Statutory Auditor

Name and Signature of Chief Executive Officer

Place:

Date:

NOTES: Inadmissible assets shall be the assets which are placed with zero value as per Part V of these Regulations.

Annexure ActI-14**FORM IRDAI-RI-SM****(See Regulation 5 of Part IV of Schedule I)**

Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of insurers) Regulations, 2024

STATEMENT OF AVAILABLE SOLVENCY MARGIN AND SOLVENCY RATIO as at 31st March.....

Name of reinsurer:

Registration Number:

Date of registration:

Classification: Business within India/ Total Business:

(All amounts in Rupees of Lakhs)

ITEM NO.	DESCRIPTION	AMOUNTS
	Policyholder's funds	
(A)	Available Assets (as per form 'Form AA IRDAI-RI-TA')	
	Deduct:	
(B)	Current Liabilities as per Balance Sheet (BS) ¹	
(C)	Provisions as per BS ¹	
(D)	Mathematical Reserves as per BS ²	
(E)	Other Liabilities as per BS	
(F)	Excess in Policyholder's funds (A) - (B) - (C) - (D) - (E)	
	Shareholder's funds	
(G)	Available Assets(as per form 'Form AA IRDAI-RI-TA')	
	Deduct:	
(H)	Other Liabilities as per BS	
(I)	Excess in Shareholder's funds (G) - (H)	
(J)	Total ASM (F) + (I)	

(K)	RSM (Life Reinsurance Business) ³	
(L)	RSM (General Reinsurance Business) ⁴	
(M)	Total RSM (K) + (L)	
(N)	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:

1. Items (B) and (C) are applicable for General Reinsurance business
2. Item (D) is applicable for Life Reinsurance business
3. Item (K) shall be determined as per Regulation 1(2) of Part V of Schedule-I of these Regulations
4. Item (L) shall be determined as per Regulation 2(2) of Part V of Schedule-I of these Regulations

Schedule IV: Loans and advances by Insurance Companies

1. Definitions:

- a) "Officer" means an officer defined in Section 2 (59) of the Companies Act, 2013 but does not include non-whole-time director;
- b) "Full time Employees" means all employees of the insurer and includes Officers of the insurer.

2. Loans or Temporary Advances:

- (a) No insurer shall grant any loans or temporary advances to any officer who is not a whole-time Director either on hypothecation of property or on personal security or otherwise except as provided under Section 29 (1) of the Act.
- (b) No insurer shall grant any loans or temporary advances to its full-time Employees either on hypothecation of property or on personal security or otherwise, except as provided under Section 29 (1) of the Act;

Provided that an Insurer may grant the loans or temporary advances to its full time Employees only for the following purposes:

- (a) Loan for purchasing of car and / or two wheeler;
- (b) Loan for purchasing of personal computer and for other electronic devices;
- (c) Loan for purchasing of furniture;
- (d) Loan for constructing/acquiring a house for personal use;
- (e) Loans for education of the children of the employees
- (f) Advance for Festival;
- (g) Any other purpose as may be specified in the policy in this regard approved by the Board of the Insurer.

Provided further that the aggregate of all loans taken together by a full time employee shall not exceed rupees one crore and shall be linked to the fixed remuneration of the employees.

3. Board Approved Policy:

Every Insurer who grants loans or temporary advances to its employees shall have in place a scheme duly approved by its Board of Directors for the grant of the above said loans or temporary advances.

4. Terms and Conditions:

The loans or temporary advances stated in regulation (b) above shall be subject to the following conditions:

- (a) The loans and advances shall form part of the compensation /remuneration package in accordance with the compensation / remuneration policy approved by the Board of Directors or by the Nomination and Remuneration Committee of the Board to which powers have been so delegated, as the case may be.
- (b) The terms and conditions of such loans or advances shall be such as may be approved by the Board or by the Nomination and Remuneration Committee of the Board to which such powers have been delegated. Provided that the interest rate charged on loan or temporary advances to whole-time Directors and other officers cannot be lower than the rate charged on loans or temporary advances to the insurer's own employees.
- (c) All such loans and advances shall not be admissible for Available Solvency Margin.

Schedule – V: Inspection and Supply of Returns

1. Inspection and Supply of Returns:

Any person seeking inspection of any return or a copy of any return under Section 20 (1) of the Act, shall make an application to the Authority in such manner as may be specified by the Authority.

2. Supply of a copy of Memorandum and articles of association by the insurer:

- (a) A policyholder of an insurer seeking a copy of memorandum and articles of association under Section 20 (3) of the Act, shall make an application in such manner as may be specified by the Authority.
- (b) The insurer shall furnish a copy of the memorandum and articles of association within such time period as may be specified by the Authority.

ANNEXURE - B

Format for suggestions on draft Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of insurers) Regulations, 2024.

Change suggested by				
Date				
Note	This will enable us to group all the suggestions and take a decision on the changes suggested			
Page No	Regulations /Schedule	Regulation and Sub-Regulation No./ Para Number	Suggested change	Reasons for change