

Exposure Draft of IRDAI (Registration, Capital Structure, Transfer of Shares and Amalgamation of Indian Insurance Companies) Regulations, 2024

As part of the comprehensive review of Regulations being undertaken by the IRDAI, to enhance the ease of doing business and also reduce compliance burden for stakeholders while also ensuring that interests of policyholders continues to be protected, Insurance Councils were asked to submit their recommendations. Councils constituted the Regulations Review Committee (RRC). The RRC recommended IRDAI (Registration, Capital Structure, Transfer of Shares and Amalgamation of Indian Insurance Companies) Regulations, 2024 after consolidating the following regulations:

- a. IRDAI (Registration of Indian Insurance Companies) Regulations, 2022
- b. IRDAI (Other Forms of Capital) Regulations, 2022
- c. IRDAI (Manner of Assessment of Compensation to Shareholders or Members on Amalgamation) Regulations, 2021
- d. IRDAI (Issuance of Capital by Indian Insurance Companies transacting other than Life Insurance business) Regulations, 2015
- e. IRDAI (Issuance of Capital by Indian Insurance Companies transacting Life Insurance business) Regulations, 2015
- f. IRDA (Scheme of Amalgamation and Transfer of Life Insurance Business) Regulations, 2013
- g. IRDA (Scheme of Amalgamation and Transfer of General Insurance Business) Regulations, 2011

After suitable consideration of the recommendations of the RRC, the draft of IRDAI (Registration, Capital Structure, Transfer of Shares and Amalgamation of Indian Insurance Companies) Regulations, 2024 has been prepared. The following are some of the major changes proposed in the said draft:

- a. Removal of requirement of prior-approval of the IRDAI for listing of shares of insurers on stock exchanges subject to compliance of specified conditions.
- b. Enabling Provision for relaxation of lock-in period in case the insurer or the shareholder is in financial distress or to facilitate amalgamation of insurers or shareholders.
- c. Provide more clarity on capital structure of the applicants seeking new Registration.
- d. Provide more clarity on applicability of requirement of prior- approval for transfer of shares.

3. The exposure draft of the IRDAI (Registration, Capital Structure, Transfer of Shares and Amalgamation of Indian Insurance Companies) Regulations, 2024 is enclosed herewith as Annexure A. The views/comments of the various stakeholders and the general public are invited on the exposure draft. The comments/suggestions, if any, may be sent on or before 23rd February, 2024 to Mr. Nirmal Jain at nirmal.jain@irdai.gov.in with a copy to Mr. Mahesh Agarwal at maheshagarwal@irdai.gov.in in the format as per Annexure B (attached herewith).
