

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA

CONSULTATION PAPER

Policyholders' Education and Protection Fund

Framework, Governance and Utilisation

Issued for Public Consultation | June 2026

1. Background

1.1. India's insurance sector has expanded significantly over the past two decades. From 2015 to 2026, the life insurance industry has grown at CAGR of 10.25 percent whereas non-life insurance industry has grown at a CAGR of around 13.50 percent. Yet insurance penetration remains low. One of the primary reasons is low levels of financial literacy and insurance awareness, particularly in rural and underserved areas, where many individuals do not fully understand the benefits of insurance as a risk protection mechanism.

The lack of financial literacy and inadequate awareness about the benefits of insurance also reduce demand, particularly in rural and underserved areas. Many consumers perceive insurance as a tax-saving or investment product rather than a risk protection mechanism.

1.2. A significant proportion of policyholders, do not fully understand what they have purchased, how to renew it, or how to make a claim. The consequences are immense e.g. unclaimed amounts held by insurers exceeded ₹9305 crore at the start of FY2025, comprising maturity proceeds, death claims, and surrender values that policyholders or their nominees were unaware of or could not recover.

1.3. Other financial sector regulators have addressed analogous problems through dedicated funds: RBI through the Depositor Education and Awareness Fund, SEBI through the Investor Protection and Education Fund, PFRDA through Subscriber Education and Protection Fund (SEPF), and the Ministry of Corporate Affairs through the Investor Education and Protection Fund under the Companies Act. There is a clear case for the insurance sector to have a comparable mechanism.

1.4. The absence of steady funding mechanism in insurance has hampered the development of structured approach to insurance awareness and policyholder education. Hence, these activities have depended on discretionary regulatory and insurer spending, without a coordinated framework.

1.5. The Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Act, 2025 (No. 40 of 2025) provided the legislative basis to form such a fund through introduction of Section 16A in the Insurance Regulatory and Development Authority Act, 1999, mandating the constitution of a Policyholders' Education and Protection Fund (PEPF) to be administered by IRDAI.

1.6. In light of the above referred provision, the Authority, in terms of the Section 16A of IRDA Act, 1999, has already constituted Policyholders' Education and Protection Fund on 30.06.2026 by transferring a sum of Rs. 800 crore to the Fund.

1.7. This Consultation Paper proposes a framework for the Fund's governance, funding, and utilisation, modelled on the comparable frameworks in the Indian financial space, and invites stakeholder views before notifying the regulations.

2. The Statutory Framework

2.1. Text of Section 16A

Section 16A of the IRDAI Act, as introduced by the SBSR 2025 Act, reads as follows:

“16A. (1) The Authority shall constitute a fund to be called the Policyholders’ Education and Protection Fund.

(2) There shall be credited to the Policyholders’ Education and Protection Fund the following amounts, namely:—

(a) any grants and donations given to the Policyholders’ Education and Protection Fund by the Central Government, State Governments, the Authority, companies or any other institutions for the purposes of the Policyholders’ Education and Protection Fund;

(b) the sums realised by way of penalties by the Authority under this Act or the Insurance Act, 1938 or rules and regulations thereunder; and

(c) such other sums as may be specified by the regulations.

(3) The Policyholders’ Education and Protection Fund shall be administered and utilised by the Authority for education of policyholders and protection of the interests of policyholders in the manner and for such other purposes as may be specified by the regulations.”

2.2. Reading the Statute

Three features of Section 16A shape the design of the Fund.

(i) **First, the duty to constitute the Fund.**

(ii) **Second, the list of sources in sub-section (2) is not closed: clause (c) permits regulations to specify additional sources, preserving the flexibility to bring in other contributions without fresh legislation.**

(iii) **Third, the purposes in sub-section (3) are stated broadly as 'education of policyholders' and 'protection of the interests of policyholders' with details to be provided in regulations, which places a corresponding responsibility on IRDAI to define the scope of utilisation.**

3. Comparable Frameworks in India

The PEPF is not the first fund of its kind in the Indian financial sector. Four comparable funds, each constituted by a financial sector regulator or under statute for the benefit of retail participants, provide the template for the PEPF's design. The framework proposed in this Paper draws on all four.

3.1. RBI: Depositor Education and Awareness (DEA) Fund

The DEA Fund was constituted by the Reserve Bank of India under Section 26A of the Banking Regulation Act, 1949 and operationalised through the DEA Fund Scheme, 2014¹. Banks are required to transfer deposits that have remained unclaimed and inoperative for ten years or more to the Fund each month. RBI utilises the corpus for depositor awareness campaigns, financial literacy initiatives, and grants to institutions engaged in financial education. An important feature of the model is that transfer to the Fund does not extinguish the depositor's rights: the depositor may claim from the original bank at any time, the bank repays the depositor and recovers from RBI². The Fund is administered entirely by RBI and its accounts are subject to audit.

3.2. SEBI: Investor Protection and Education Fund (IPEF)

SEBI constituted the IPEF under the SEBI (Investor Protection and Education Fund) Regulations, 2009³. The Fund is credited with penalties imposed by SEBI, amounts received from securities market intermediaries for investor protection, and government grants⁴. SEBI utilises the corpus for investor awareness programmes through print, electronic and digital media; educational outreach through institutions and investor associations; and legal aid to small investors in appropriate cases. The Fund is administered by SEBI; there is no separate statutory authority. Accounts are audited and annual statements are published.

3.3. Companies Act: Investor Education and Protection Fund (IEPF)

The IEPF was constituted under Section 125 of the Companies Act, 2013 and is administered by the IEPF Authority under the Ministry of Corporate Affairs.⁵ Its corpus is built from unclaimed dividends, matured deposits and debentures, and shares in respect of which dividends have remained unclaimed. The IEPF Authority processes refund claims from shareholders and nominees.⁶ Like the DEA Fund model, transfer to the IEPF does not extinguish the claimant's rights. The IEPF model demonstrates that unclaimed financial assets can be pooled into a statutory fund on a large scale, but also that running a claimant-facing fund requires substantial operational infrastructure and IT capability.

¹Depositor Education and Awareness (DEA) Fund Scheme, 2014, framed under Section 26A, Banking Regulation Act, 1949.

²DEA Fund Scheme, 2014, Clause 4: amounts transferred to the Fund by banks continue to earn interest; the depositor's right to claim from the bank is not extinguished by the transfer.

³SEBI (Investor Protection and Education Fund) Regulations, 2009, as last amended by SEBI (Investor Protection and Education Fund) (Amendment) Regulations, 2025

⁴Regulation 4, SEBI (Investor Protection and Education Fund) Regulations, 2009: penalties received by SEBI are credited to the Fund.

⁵Section 125, Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as last amended by the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2025.

⁶Rule 7, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016: claimants may apply for refund to the IEPF Authority; the right to claim is not time-barred.

3.4. Subscriber Education and Protection Fund (SEPF)

The Subscriber Education and Protection Fund (SEPF) has been established in FY 2015 by the Pension Fund Regulatory and Development Authority, under Section 52 (1) of PFRDA Act, 2013 to safeguard the interests of subscribers and promote awareness about pension schemes regulated by PFRDA. Grants and donation given by Central Government, State government, Companies, sum realised by way of penalties and interest income is credited to the Fund.

3.5. Comparative Overview and Design Implications

Feature	DEA Fund (RBI)	IPEF (SEBI)	IEPF (Companies Act)	SEPF
Statute	S. 26A, Banking Regulation Act, 1949	SEBI Regulations, 2009	S. 125, Companies Act, 2013	S. 52(1) of PFRA Act, 2013
Primary corpus source	Unclaimed deposits (10+ years)	Penalties + intermediary receipts	Unclaimed dividends, shares, deposits	Penalties + Grants, donation
Purpose	Depositor education & awareness	Investor education, awareness & legal aid	Education + refund of unclaimed assets	Subscriber education and protection
Administered by	RBI	SEBI	IEPF Authority (under MCA)	PFRDA
Right of reclaim	Yes – original bank liable; recovers from RBI	N/A	Yes – IEPF Authority processes refunds	N/A
Annual audit	Yes	Yes	Yes	Yes

All four funds are aimed at education and awareness, of the retail customers. None of them is a compensation fund for losses arising from firm insolvency or fraud. It is proposed that the PEPF is designed on the same lines: its mandate is policyholder education, awareness, financial inclusion, and support for grievance redressal.

4. Objectives of the Fund

Drawing on the three comparable frameworks, the PEPF's indicative objectives can be stated as follows:

4.1. Policyholder Education and Awareness

A large proportion of policyholders do not understand what their policy covers, their obligations to pay premiums, how to make a claim, or where to complain. In order to address this problem, the PEPF may inter alia aim to finance sustained, coordinated national programmes: standardised financial literacy materials in regional languages, integration with school and college curricula, training and accreditation of community-level insurance facilitators in under-served districts, and media campaigns calibrated to different audience segments. This mirrors the primary purpose of both the DEA Fund and the SEBI IPEF.

4.2. Policyholder Grievance and Legal Support

The PEPF may fund access to grievance redressal for policyholders. This includes developing or re-developing platform, to make the existing system more responsive and efficient for filing of the complaints in much simpler way and to extend support to the Insurance Ombudsman network to enhance its reach and effectiveness.

4.3. Providing proactive alerts etc. to the policyholders

In order to improve policyholder outcomes, the proceeds of the PEPF funds may be utilised to establish and operate a centralized policyholder alert framework that would enable sending proactive alerts to a cohort of the policyholders who may have been impacted by a common event such as floods or storm. These alerts could be sent through multiple channels such as SMS notifications; Email communications; WhatsApp and mobile application alerts; Interactive Voice Response System (IVRS) calls; etc.

This will enable the policyholders to act as per scope of the policy and in a manner which will assist in quick settlement of claims.

Proactive communication with policyholders can substantially improve policy servicing, enhance policyholder protection, and strengthen trust in the insurance sector. While insurers undertake periodic communication efforts, a centralized and technology-enabled alert mechanism funded through PEPF can significantly improve outreach and effectiveness in case of events impacting a large population.

4.4. Publishing and disseminating information about the objects and achievement of the fund.

4.5. Development of Educational Resources

- i. Creating online portals, training modules, and information content for policyholders;
- ii. conducting policyholder education activities;
- iii. Organizing seminars, workshops and media campaigns to promote insurance literacy.

5. Proposed Framework

5.1. Legal Status and Accounting

- (i) The PEPF may be constituted as a non-lapsable fund held in a dedicated account in a scheduled bank designated by IRDAI, consistent with the model of the DEA Fund maintained by RBI.
- (ii) Unspent balances may be carried forward each year.
- (iii) The Fund's accounts may be maintained separately from IRDAI's own accounts and audited annually by the Comptroller and Auditor General of India or a firm of chartered accountants appointed on CAG's advice.
- (iv) The investment income on the corpus may be utilised for the purpose of achieving its objectives.

5.2. Sources of the Corpus

- (i) **Grants and Donations [Section 16A(2)(a)]**
 - (a) IRDAI may make an annual contribution to the PEPF from its own budget. The contribution from IRDAI is allowed under Section 16 (2) (b) of IRDA Act which provides that the funds shall be applied for meeting the other expenses of the Authority in connection with the discharge of its functions and for the purpose of this Act and the Insurance Act, 1938.
 - (b) The Central and State Governments may also make grants. Insurers and industry bodies may be encouraged to make voluntary contributions to the Fund;
- (ii) **Penalties [Section 16A(2)(b)]**
 - (a) Penalties collected by the Authority under the IRDA Act and the Insurance Act may be credited in full to the PEPF. This follows the SEBI IPEF model directly: Regulation 5 of the SEBI (Investor Protection and Education Fund) Regulations, 2009 provides that all penalties received by SEBI are credited to the Fund. The regulations must make clear that enforcement decisions are made entirely independently of their financial consequence for the Fund.
 - (b) However, this will not include additional amount paid by the insurers or insurance intermediaries on account of non-timely payment of annual fee

etc. Accordingly, such amount shall not be credited in the PEPF account e.g. an additional fee by way of penalty payable under regulation 56 (4) of IRDAI (Registration, Capital Structure, Transfer of Shares and Amalgamation of Insurers) Regulations, 2024 on non-payment of annual fee within the specified time.

(iii) Undistributed disgorgement amount

- (a) The Authority under Section 34 of the Insurance Act, 1938 has been empowered to direct any person, who made profit or averted loss by indulging in any transaction or activity in contravention of the provisions of Insurance Act and the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999) and rules or regulations made thereunder, to disgorge an amount equivalent to the wrongful gain made or loss averted by such contravention.
- (b) The paper proposes to transfer the undistributed amount to credit to PEPF where such amount could not be distributed within a period of three years.

5.3. Utilisation

Consistent with the purposes of the DEA Fund, SEBI IPEF, SEPF and IEPF, the regulations may specify five categories of eligible expenditure. For which the investment income earned on the Corpus Fund may be utilised.

- (i) **Category A – Education, Awareness and Inclusion:**
- (ii) **Category B – Grievance and Legal Support:**
- (iii) **Category C – Unclaimed Amount Recovery Infrastructure:**
- (iv) **Category D: Technology based Policyholder Services**
- (v) **Category E: such other purposes as may be specified by the Authority**

5.4. Investment of the Corpus

- (i) Pending utilisation, the PEPF corpus may be invested in accordance with a policy approved by the Fund Management Committee. Permitted investments may be restricted to government securities, treasury bills etc.

5.5. Governance

- (i) It is proposed that the Authority shall constitute a Fund Management Committee (FMC) to oversee the PEPF.
- (ii) The FMC shall operate within IRDAI's existing structure, supported by a dedicated PEPF Secretariat.
- (iii) **Proposed composition of the FMC:** the composition of the FMC may be as under:

- a. Member in-charge of PPGR Department as ex officio chair;
 - b. One more Whole-Time Member nominated by Chairperson, IRDAI;
 - c. Two Independent Members drawn from consumer advocacy, financial inclusion, or insurance academia appointed by the Chairperson, IRDAI;
 - d. One representative each from the Life Insurance Council, the General Insurance Council, and the Council for Insurance Ombudsman.
 - e. The Executive Director in charge or Head of the Department of the PP&GR Department who shall be the convener of the Committee;
- (iv) External members shall hold two-year terms, renewable once.
- (v) The FMC will publish an Annual Programme by 30 April each year setting out proposed activities, budgets, expected outputs, and key performance indicators, approved by the Authority. Actual expenditure against budget may be published in a mid-year report by 31 October.

6. Issues for Consultation

The draft of the Regulations prepared on the above lines is [attached herewith as Annexure-A](#). The Authority invites written responses from stakeholders and public to the following questions:

6.1. Sources of the Corpus

- (i) Whether the sources mentioned in para 5.2 above are sufficient to meet the objectives? If no, what are the other sources which can be included to meet the objective.
- (ii) Whether regulations under Section 16A(2)(c) should require insurers to credit to the PEPF a percentage of Gross Direct Premium Written in India? If yes, what percentage is appropriate, and should it be uniform across life and non-life insurers, or differentiated?

6.2. Utilisation

- (iii) Whether the four proposed utilisation categories viz education and awareness, providing support for Grievance Redressal, unclaimed amount recovery infrastructure and Technology based Policyholder Services are adequate?

6.3. Governance

- (i) What annual key performance indicators should the FMC be required to publish? How should the impact of policyholder education programmes as distinct from outputs such as number of campaigns be measured and reported?

7. Indicative Timeline

Phase	Activity	Target
1	Issue Consultation Paper with draft regulations inviting public comments	23 rd June, 2026
2	Close comment period	13 th July, 2026

8. How to Respond

8.1. Written comments on the issues highlighted in point 6 above and the draft regulations attached should be submitted by 23rd June, 2026 at pepf@irdai.gov.in with a copy to Head of Department, PP&GR Department at HOD-PPGR@irdai.gov.in with the subject line 'PEPF Consultation Paper – Comments' in the format given in [Annexure-B](#).

8.2. Comments may also be sent by post to:

The Head of Department -PPGR

Insurance Regulatory and Development Authority of India

Survey No. 115/1, Financial District, Nanakramguda, Hyderabad – 500 032

(Executive Director-PPGR)

(Updated upto 22.06.2026)

**INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA
(POLICYHOLDERS' EDUCATION AND PROTECTION FUND) REGULATIONS,
2026**

F. No. IRDAI/Reg/___/___/2026— In exercise of the powers conferred by Section 16A read with section 26 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999) and clause (zd) of sub-section (2) of section 114A of the Insurance Act, 1938 (4 of 1938), the Authority, in consultation with the Insurance Advisory Committee, hereby makes the following regulations, namely: -

**CHAPTER I
PRELIMINARY**

1. Short title and commencement.

- (1) These Regulations may be called the Insurance Regulatory and Development Authority of India (Policyholders' Education and Protection Fund) Regulations, 2026.
- (2) These Regulations shall come into force on the date of their publication in the Official Gazette.
- (3) These Regulations shall be reviewed once every three years from the date of publication, unless a review, repeal or amendment is warranted earlier.

2. Objective: The objective of these regulations is to provide for establishment of a Fund inter alia out of grants, donation and penalties, to be utilised towards protection of the policyholders and for promoting, educating, creating awareness among policyholders and financial inclusion.

3. Definitions.

- (1) In these regulations, unless the context otherwise requires: -
 - (a) 'Act' means the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999);
 - (b) '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);

(c) 'Committee' means the Fund Management Committee constituted under regulation 7 of these regulations;

(d) 'Financial Year' means the year commencing on the first day of April;

(e) 'Fund' means the Policyholders' Education and Protection Fund created by the Authority under section 16A of the Act.

(2) Words and expressions not defined in these regulations, but defined in the Act or the Insurance Act, 1938 or the regulations made thereunder, shall have the same meanings as have been assigned to them under those enactments, unless the context requires otherwise.

CHAPTER II

Policyholders' Education and Protection Fund

4. Establishment of Fund.

(1) There shall be a Fund to be called the Policyholders' Education and Protection Fund.

(2) The Fund shall be separate from the Insurance Regulatory and Development Authority Fund specified in Section 16 the Act and shall be administered and utilised by the Authority for education of policyholders and protection of the interest of policyholders in the manner specified in these regulations.

5. Amounts to be credited to the Fund.

(1) The following amounts shall be credited to the Fund:-

i. Contributions made by the Authority.

ii. Any grants and donations given by

a. the Central Government, State Governments, and

b. companies or any other institutions.

iii. The sums realised by way of penalties by the Authority under this Act or the Insurance Act, 1938 or rules and regulations thereunder.

Provided that additional amount paid by the insurers or insurance intermediaries on account of delayed payment of annual fee etc. shall not be construed as penalty for the purpose of these regulation.

- iv. Disgorgement amount remained undistributed for a period of three years from the date of passing of the direction under section 34 of Insurance Act, 1938.
 - v. Such other sources of funds as the Authority may specify in the interest of policyholders.
- (2) For the purposes of sub-regulation (1) above, the amounts shall be credited to the Fund through NEFT / RTGS / IMPS / UPI or online payment.

6. Utilisation of Fund.

- (1) The balance available in the Fund shall be treated as a Corpus Fund.
- (2) Only the investment income earned on the corpus fund shall be utilised for specified activities as detailed in clause (3).
- (3) The sum as specified in sub-regulation (2) shall be utilised for the following purposes for protection of policyholders' interest and promotion of policyholders' education and awareness in accordance with these regulations:
 - (i) Category A — Education, Awareness and Inclusion:**
 - a. Financial literacy programmes;
 - b. Training and accreditation of insurance trainers and individuals for implementation of insurance awareness programmes;
 - c. Consumer Protection Initiatives
 - Promoting informed decision making among policyholders.
 - Supporting initiatives that improve transparency, disclosure, and consumer understanding of insurance products.
 - d. Digital tools for policy tracking, premium reminders, and claims assistance;
 - e. Independent research into policyholder behaviour, claims experience, and mis-selling patterns to form regulatory policy and on matters relating to insurance penetration, financial inclusion and policyholders' protection issues;
 - f. Promoting insurance awareness including conducting awareness programmes through media - print, electronic and other means;

- g. Educating policyholders on insurance products, rights, obligations, and claims processes;
- h. Developing educational materials in multiple regional languages;
- i. Organizing seminars, workshops, and outreach programmes;
- j. Conducting surveys to identify awareness gaps and emerging policyholder concerns;
- k. Supporting evidence-based policy formulation;
- l. Supporting activities aligned with the objective of expanding insurance coverage and reducing the protection gap; and
- m. Contributing to programs collectively organised by financial sector regulators viz RBI, IRDAI, SEBI, PFRDA for empowerment of consumers

(ii) Category B — providing support for Grievance Redressal:

- a. Strengthening awareness regarding grievance redressal mechanisms, Insurance Ombudsman services, and policyholder rights.
- b. Conducting outreach programmes to educate policyholders on their rights and remedies
- c. Supporting policyholders, especially vulnerable and underserved sections like senior citizens, rural consumers, and persons with disabilities, in accessing grievance redressal channels.
- d. Facilitating initiatives that improve accessibility to policyholders' support services; and
- e. Support to the Insurance Ombudsman network.

(iii) Category C — Unclaimed Amount Recovery Infrastructure:

- a. Development and operation of a centralised portal enabling policyholders and nominees to locate unclaimed amounts;
- b. Integration of insurer databases with national identity registries;
- c. Outreach programmes to notify nominees of unclaimed entitlements; and
- d. Supporting initiatives for tracing beneficiaries and reducing unclaimed amounts.

(iv) Category D: Technology based Policyholder Services

- a. Development of digital platforms for policyholder education and awareness.
- b. Providing multilingual support services through helplines, chatbots, and digital platforms
- c. Proactive communication system to alert policyholders
 - regarding premium dues, policy lapses, maturity benefits, claims, and unclaimed amounts.
 - to take preventive measures and to provide dos and don'ts action in case of catastrophe/s, floods etc.
- d. Techno-based feedback from cohort of the policyholders on surrender of the policies, lapsed policies, policies sourced through a class or specific insurance intermediary etc.
- e. Developing or re-developing of digital platform, whether complete or in parts, for making grievance redressal mechanism more robust, responsive and efficient.

(v) Category E: such other purposes as may be specified by the Authority.

**CHAPTER III
FUND MANAGEMENT ADVISORY COMMITTEE**

7. Constitution of the Committee.

- (1) The Authority shall constitute a Fund Management Committee to oversee the Policyholders' Education and Protection Fund.
- (2) The Committee shall consist of the following members, namely:-
 - i. Whole-Time Member In-charge of Policyholders' Protection and Grievance Redressal Department (PP&GR Department) as ex-officio chair;
 - ii. One more Whole-Time Member nominated by Chairperson, IRDAI;
 - iii. Two Independent Members drawn from consumer advocacy, financial inclusion, or insurance academia appointed by the Chairperson, IRDAI;
 - iv. One representative each from the Life Insurance Council, the General Insurance Council, and the Council for Insurance Ombudsman.

- v. The Executive Director in charge or Head of the Department of the PP&GR Department who shall be the convener of the Committee;
- (3) The term of office of members referred in sub-regulation 3 (iii) and (iv) shall be two years, which may be extended for a further period of two years.
- (4) Any vacancy arising out of resignation, retirement or death of a member or for any other reason shall be filled by the Chairperson, IRDAI.

8. Functions of the Committee.

- (1) The Committee shall
- i. plan policyholders' education and protection activities keeping in view the activities mentioned in regulation 6 and submit its recommendations thereon to the Authority.
 - ii. publish an Annual Programme by 30th April each year setting out proposed activities, budgets, expected outputs, and key performance indicators approved by the Authority. Actual expenditure against budget should be published in a mid-year by 31 October.
 - iii. put in place policy for investment of the Fund.
 - iv. oversee the functions of the Fund.
 - v. carry out such other functions as may be assigned by the Authority from time to time.

9. Meetings of the Committee.

- (1) Meetings of the Committee shall be convened at least once in three months by the convener.
- (2) Three members of the Committee shall constitute the quorum for the transaction of business at a meeting of the Committee.

Provided that presence of Chairperson of the Committee is mandatory.

- (3) Every member, who is directly or indirectly interested in any matter coming up for consideration at a meeting of the Committee, shall disclose the nature of his interest at such meeting and such disclosure shall be recorded in the proceedings of the meeting of the Committee and such member shall not take part in any deliberation of the Committee with respect to that matter.

- (4) A register of FMC members' interests shall be maintained and updated annually.

10. Expenses of the Committee.

- (1) The expenses including travel and other allowances of members of the Committee, who are officials of the Authority, and invitees who are officials of the Authority, shall be borne by the Authority in accordance with their entitlements.
- (2) The expenses including travel and other allowances of members of the Committee, who are not officials of the Authority, and invitees who are not officials of the Authority, shall be borne out of the Fund.

CHAPTER IV INVESTMENT, ACCOUNTS AND AUDIT

11. Maintenance of accounts and audit of accounts.

- (1) The amount available for utilisation during a year in accordance with regulation 6 (2) may be kept in a dedicated account in a scheduled bank or invested in treasury bills of the Government of India.
- (2) The balance of the corpus fund shall be invested in Government of India / long term securities.
- (3) The Committee shall ensure maintenance of proper accounts and other relevant records in relation to the Fund giving therein the details of all receipts to, and, expenditure from the Fund and other relevant particulars.
- (4) The Fund shall maintain its accounts including Income and Expenditure Statement in the form and manner as specified by the Committee.
- (5) The Fund's accounts shall be audited annually by the Comptroller and Auditor General of India or a firm of chartered accountants appointed on CAG's advice.
- (6) The accounts referred to in sub regulation (3) shall be prepared and audited before the expiry of six months from the end of each financial year.

12. Investments of the Funds

- (1) The investment of the Fund may be in the manner of investments of other funds of the Authority.
- (2) The Fund shall be invested in accordance with a policy approved by the Fund Management Committee.

CHAPTER V MISCELLANEOUS

13. Delegation of powers: The Authority may delegate its powers and functions in these regulations to Chairperson or one or more Whole-Time Members or both or any officer of the Authority.

14. Power to relax regulations.

If in the opinion of the Authority, enforcement of any regulation needs to be relaxed to achieve the purpose of policyholders' education and protection, the Authority may relax the same.

Feedback Format

A. Stakeholder Information	
Name of the Organization / Individual	_____
Type of Stakeholder (Policyholder/Insurer/Insurance Intermediaries/Public / Others – please specify)	_____

B. Comments / Suggestions on the issues highlighted in point 6 of the Consultation Paper on Policyholders Education and Protection Fund				
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Page No	Para Number	Sub-para Number /	Suggested change	Reasons for change

C. Suggestions on Exposure draft on Insurance Regulatory and Development Authority of India (Policyholders Education and Protection Fund) Regulations, 2026				
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Page No	Regulation Number	Sub-Regulation Number / Para Number	Suggested change	Reasons for change

