

Item No. 24

Amendment to IRDAI (Investment) Regulations, 2016

The following changes are proposed to the IRDAI (Investment) Regulations, 2016 approved by 92nd Meeting of the Authority held on 11th March, 2016. The Insurance Advisory Committee in its meeting held on 27th Jun, 2016 took note of the same and had recommended, without any changes. The same is placed before the Board of the Authority.

1. Preamble to IRDAI (Investment) Regulations, 2016

“Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 F.No: IRDA/Reg..... 2016 , In exercise of the powers conferred by clause (i) subsection (2) of Section 114A read with Section 27,27A,27B,27C,27D and 28 of the Insurance Act,1938 (4 of 1938), the Authority, in consultation with the Insurance Advisory Committee, hereby makes the following Regulations”

2. Regulation 16

“16. Repeal and Savings

- (a) On and from the commencement of these regulations , the Insurance Regulatory and Development Authority (Investment)Regulations,2000 shall stand superseded*
- (b) In respect of anything done or omitted to be done or omitted to be done prior to the commencement of these regulations, they shall continue to be governed by Insurance Regulatory and Development Authority (Investment) Regulations, 2000”*

3. Regulation 17

“17. Power to remove difficulties and issue clarifications

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

4. Other Changes

The other changes, on account of **Syntax errors, grammatical error and cross reference** to other regulations are provided in the following table:

93rd meeting of the Authority

24.1

AMENDMENTS TO IRDAI (INVESTMENT) REGULATIONS, 2016

No	Syntax Error, Grammatical Error, Cross Ref. error	Amendment (without change in Policy)	Comments
2	None	3 lines of Preamble Added	No Preamble
2	Colon at 2 (c)	Colon deleted	syntax error
2	2(d) " and " missing	"and " was added	syntax error
4	"Shareholder's funds" ...	Sentence realigned	Grammatical Error
4	2 (k) Old Regulations Referred	New Regulation name is added	New Regulation Name Added
5	Reg 3 (a)(4) and (5) - "2" Numerical 2 mentioned	Replaced with Alphabet	syntax error
5	3 (a)(8)	"and" added	Grammatical Error
6	Reg 4 (b): Old Regulations referred	Replaced with New Regulation Name	New Regulation Name Added
6	Reg 5: "and "was mentioned	Replaced with "or"	Grammatical Error
7	Reg 6: Old Regulations Referred	New Regulation name is added	New Regulation Name Added
8	Reg 8: "and "was mentioned	Replaced with "or"/ "a" replaced with "an" / "Insurer" replaced with "Insurance"	Grammatical Error
11	Reg 9 (A)(1)(b): Old Regulations referred	Replaced with New Regulation Name	New Regulation Name Added
14	Note 5 to Reg.9: Bracket Missing	Bracket Added	syntax error
15	Note 10 to Reg.9 : " (a) " missing	"(a)" added	Missing Sub Clause added
16	Reg 10. Sl no.2 : " C" missing	"C" added	Missing Form Number added
19	Reg 13 C (1): "in" missing	"in" added	Grammatical Error
23	Sch. IB (5) (a) : "if" mentioned	Replaced with "of"	Grammatical Error
23	Sch. IB (8) : "10" mentioned	Replaced with "9"	syntax error
24	Sch. IC (2): " within " mentioned	deleted "within"	Grammatical Error
24	Sch II A (1) : 3 (a)(2) mentioned	Replaced with " 3(a)(1)	syntax error

Investment in Housing Finance Companies
Exposure Norms for “Single Investee Company Exposure”

The Investment Regulations, 2000 as amended by the 5th Amendment, permits not more than 15% to be invested in a single investee company, irrespective of any sector. If the investment falls under “Infrastructure Sector”, the investment can be made upto 20% (with no sector limit) and with the prior approval of the Board of the Insurer, an additional 5% is permitted. The Regulations, approved by IRDA Board, permits a maximum of 15% into “Single investee Company”.

IRDA Circular: IRDA/F&I/INV/CIR/155/08/2013 Dt. 7th Aug, 2013 permitted a “Single Company Exposure” of upto 25% in Debt alone. Life insurance council Secretary, made a mention of this issue, in the Insurance Advisory Committee Meeting held on 27th June, 2016 and made a request to permit Insurance Companies to be allowed to invest upto 25% as allowed by the above mentioned Circular. The issue was kept open for discussion, as no Member of the Insurance Advisory Committee, expressed objection and National Housing Bank, the Regulatory of Housing Finance Companies, have also made a representation in this matter and have requested to consider favourably.