



भारतीय बीमा विनियामक और विकास प्राधिकरण  
INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA

**Title:**CEO of all Insurance Companies

**Reference No.:**IRDA/INV/CIR/027/2008-09

**Date:**26/12/2008

Relaxation in Investment Parameters of Debt / Equity Segment – Reg.

Dear Sirs,

**Sub: Relaxation in Investment Parameters of Debt / Equity Segment – Reg.**

Please refer to the IRDA (Investment) Regulation 2008 notified vide F.No.IRDA/Reg./5/47/2008 dated 30 th July, 2008 published in the 4 th amendment in the Investment Regulation on 22 nd Aug, 2008. The Authority has carefully examined the requests from the industry for certain relaxation to facilitate more investments. With a view to enhancing the flow of insurance funds to meet the present needs of infrastructure financing and keeping policyholders' interest in view it has been decided to partially amend the requirements insofar as it relates to exposure limits applicable to investments in Public limited companies engaged in 'Infrastructure Sector' and 'Housing Sector'. The limits would apply as under with immediate effect.

- The exposure of any insurer to an infrastructure company may be increased to not more than 20% as against the present ceiling of 10% as referred in Reg. 5. The limit would be combined for both Debt and Equity taken together without sub ceilings.
- This exposure of 20% can be further increased by an additional 5% (i.e. the aggregate exposure to a single investee company being upto 25%) with the PRIOR approval of Board of Directors. Such additional investments shall however be restricted to debt instruments.
- Infrastructure activity shall be as defined under IRDA (Registration) Regulation, 2000 as amended from time to time.
- In the case of **Debt** investments, the duration of investment shall be not less than 10 years and they should have a minimum rating of AA by a Credit rating agency registered under SEBI (Credit Rating Agencies) Regulations, 1999
- In the case of **Equity** investment, dividend of not less than 4% including bonus should have been declared in at least for the 5 preceding years. However in the case of primary issuance of a wholly owned subsidiary of a corporate/PSU, the track record as mentioned above would be applied to the holding Company.

/Sd-  
**C R MURALIDHARAN**  
**MEMBER**