



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

CIRCULAR

Ref: IRDA/NL/CIR/RIN/078/04/2016

Date: 26-04-2016

To

All CEOs/CMDs of General Insurance Companies/ Standalone Health Insurance companies / GIC Re

**Re: Placement of Reinsurance on global basis along with foreign parent
/subsidiaries/ group companies**

The Authority has recently received requests from some insurers seeking waiver of certain provisions of IRDA (General Insurance-Reinsurance) Regulation 2013, citing inability to comply with the stipulations, as they were executing Reinsurance treaties on a global basis where the Indian Insurer along with their foreign promoter entity/ subsidiaries /group companies enter into a common reinsurance agreement with one or more reinsurers.

The reinsurance needs of the Indian Insurance company may vary from that of their foreign partner or group companies located in other countries. The terms, conditions, exclusions, claims experience etc of the underlying products for which the reinsurance protection is sought may also vary from one insurance company to another.

Moreover, it has been observed that in such arrangements, where Indian insurer enters into reinsurance arrangements on a global basis, along with their promoter company/ies, the Indian entity is unlikely to have much say in taking vital decisions

on matters like the choice of the reinsurer, terms of treaty, the quantum of placement with any reinsurer etc. Hence, compliance of various provisions of the reinsurance regulations, other guidelines and circulars issued by the Authority on matters related to reinsurers, may not be possible for the Indian Insurers.

Therefore, insurers are hereby advised to refrain from entering into such reinsurance arrangements. The Authority shall not entertain any request for exemption from the application of provisions of Reinsurance regulations/guidelines/circulars, if such non-compliance is on account of the insurer's participation in such reinsurance arrangements.

Moreover, the insurers are advised to strictly comply with IRDA (General Insurance-Reinsurance) Regulation 2013 and amendments/revisions thereto.



(P.J. Joseph)

Member (NL)

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