



बीमा विनियामक और विकास प्राधिकरण
**INSURANCE REGULATORY AND
DEVELOPMENT AUTHORITY**

CIRCULAR

Ref: IRDAI/F&I/CIR/INV/ ⁰⁹³ /04/2015

Date: 30th Apr, 2015

The CEOs of all Insurance Companies

Withdrawal of Deposit under Section 7 of Insurance Act, 1938

Section 7 of Insurance Act, 1938 required every Insurer to maintain deposit with Reserve Bank of India, either in cash or in approved securities, the amount specified therein. The authority vide circular IRDA/INV/005/2003-04 Dt 17th Oct, 2003 and Circular INV/CIR/009/2003-04 Dt 22nd March 2004 and Circular INV/CIR/023/2004-05 Dt 20th July 2004, directed Insurers to maintain the deposit in the form of approved securities in Gilt Account with any scheduled commercial bank. The Authority directed that any withdrawal/replacement/transfer of Investment from the Gilt Account will be allowed only with the prior permission of the Authority.

The Insurance Laws (Amendment) Act, 2015 had dispensed with the requirement of maintaining the Deposit under Section 7 of Insurance Act, 1938. Thus, insurers can withdraw the lien marked securities, held in the CSGL Account for the purpose of Section 7 Deposit. This circular shall be the approval for the insurers to withdraw the Deposit held in the CSGL Account. Further, the insurers shall close the separate Gilt account opened for Section 7 Deposit of Insurance Act, 1938.

S N JAYASIMHAN
JOINT DIRECTOR (INVESTMENTS)