

Ref: IRDA/ACT/ORD/MISC/116/06/2016

Order

10 June 2016

Re : Committee on Risk Based Capital Approach and Market Consistent Valuation of Liabilities

It has been decided to form a Committee to review the Risk Based Capital approach and liability valuation methods in the light of latest developments in the Indian Accounting Standards in Insurance Sector.

The Committee will comprise of following members:

1. Mr. Dilip C. Chakraborty, Consulting Actuary, Chairperson of the Committee.
2. Mr. B. N. Rangarajan, Chairperson of Advisory Group on Life Insurance, Institute of Actuaries of India
3. Mr. Mehul Shah, Chairperson of Advisory Group on General Insurance, Institute of Actuaries of India
4. A Representative from Institute of Chartered Accountants of India
5. Mr. R. K. Sharma, Joint Director (Finance and Accounts), Insurance Regulatory and Development Authority of India
6. Mr. Sudipta Bhattacharya, Deputy Director(Actuarial), Insurance Regulatory and Development Authority of India, Member Secretary


The Chairperson of the Committee may invite other experts depending upon the requirement.

The terms of reference of the Committee are stated below:

1. To examine the changes required in the method of valuation of liabilities following the decision of Working Group on Implementation of Ind-AS in insurance sector to value assets at marked to market / fair value.
2. To study the pros and cons of current solvency regime and Risk Based Capital regime in the Insurance sector (Life, Non-Life, Standalone Health insurance and Reinsurance), review the recommendations of the Committee on Risk Based Capital

under the Chairmanship of Mr. P. A. Balasubramanyam and to recommend a suitable approach in the current Indian context.

3. The recommended approach should at least cover the following aspects
 - 3.1. Recommend broad time frame for completion of entire exercise under the recommended approach
 - 3.2. Recommendation on whether IRDAI will require help of professional Actuarial Consultants on paid basis during this exercise. If yes, what should be the terms of reference for the Consultants?
4. Time Frame:
 - 4.1. The Committee will submit its report on 1 above within the next four months i.e. by 31 October 2016.
 - 4.2. The Committee will submit its report on 2 and 3 above within further two months i.e. by 31 December 2016.


Pournima Gupte
Member (Actuary)