



Order

IRDAI/F&A/ORD/MISC/109/6/2022

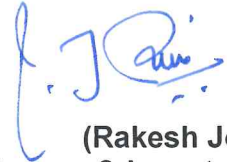
02nd June 2022

Sub: - In the matter of Aditya Birla Health Insurance Co. Ltd. – Section 40C

Exemption Order

1. Section 40C of Insurance Act, 1938 read with Regulation 11(i) of the IRDAI (Expenses of Management of Insurers transacting General or Health Insurance Business) Regulations, 2016 ('EoM Regulations') provides that
"The Authority based upon a representation received from a newly registered insurer, in accordance with the provisions of the Act, may exercise forbearance for a period not exceeding five years."
Reg. 2(iv) of the EoM Regulations defines 'Duration of Business' as: -
"Duration of Business means the duration of an insurer's business reckoned from the beginning of the financial year of commencement of business if the date of commencement is in the first half of the financial year, and from the beginning of the immediately succeeding financial year if the date of commencement is in the second half of the financial year."
2. The Authority vide its order ref. no.: IRDAI/F&A/ORD/CPM/024/01/2017 dated 23rd January 2017 had granted the exemption to M/s Aditya Birla Health Insurance Company Limited ('M/s ABHICL') for Financial Years 2016-17 to 2020-21 (Five financial years) basis the representation made by M/s ABHICL.
3. Thereafter, M/s ABHICL submitted its representation to the Authority stating that the insurer had commenced business operations in the second half of the Financial Year 2016-17 and Financial Year 2016-17, being partial year of operation, the period of exemption has to commence from the immediately succeeding Financial Year i.e., 2017-18 as per the provisions of EoM Regulations. Accordingly, the insurer has requested the Authority for extension of the first five-year exemption period upto Financial Year 2021-22.

4. The Authority, after careful examination of the representation and other submissions made by M/s ABHICL resting with its communication dated 04.04.2022, hereby *grants exemption to M/s ABHICL from complying with the limits of expenses of management stipulated under Section 40C of Insurance Act, 1938 read with Regulation 11 of the IRDAI (Expenses of Management of Insurers transacting General or Health Insurance Business) Regulations, 2016 upto Financial Year 2021-22.*



(Rakesh Joshi)
Member (Finance & Investment)

