



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

Ref: 75/IRDA/Aegon/34A

July 26, 2013

Mr. Debmalya Maitra,
Head – Audit, Risk and Compliance,
Aegon Religare Life Insurance Co. Ltd.,
Unit No - 102,1st floor,
Nomura Building (Winchester),
Hiranandani Business Park,
Hiranandani Powai,
Mumbai - 400076

Dear Sir,

Sub: Violation of Section 34A of the Insurance Act, 1938 and Submission of Inconsistent Information

Reference is invited to your Company's letter ARLI/L&SEC/May/887 dated 03rd May, 2013 notifying the resignation of the then Managing Director & Chief Executive Officer Mr Rajiv Jamkhedkar and appointment of Mr K S Gopalakrishnan as an Executive Director and Principal Officer by the Board of Directors of your company. Reference is also drawn to the Authority's e-mail dated 07th May, 2013 wherein it was informed to your company that the appointment of new Principal Officer shall be effective only after the specific approval of IRDA in accordance to the provisions of Section 34 A of the Insurance Act, 1938 (the Act) and advised for applying separately under Section 34 A of the Act. From the application forwarded vide letter ARLI/L&SEC/May/906 dated 15th May, 2013 seeking approval for appointment of Mr K S Gopalakrishnan as Whole Time Director designated as Executive Director it is noticed that the Board vide its resolution dated 03 May, 2013 appointed Mr K S Gopalakrishnan **only** as Whole Time Director designated as Executive Director. It is noticed that the Board resolution did not specifically mention the appointment of Mr K S Gopalakrishnan as Principal Officer as communicated vide your company's letter dated 03rd May, 2013. Hence, it is noticed that there is no consistency in the information submitted to the Authority.

Further, despite Authority's specific instructions vide e-mail dated 07/May/2013 that the appointment of Principal Officer shall be only effective upon the prior approval of IRDA, it is observed that your company proceeded with the appointment of Mr K S Gopalakrishnan as Principal Officer by disclosing the same in the website of your company.

In response to the explanation sought vide Authority's letter Ref. 75/IRDA/Aegon/34A dated June 05, 2013 on submission of inconsistent information and proceeding with the appointment and then publishing in the website against specific instructions, your company vide its letter ARLI/COMP/June 13/923 dated June 13, 2013, regretted the same and submitted that the complete resolution of the Board was not forwarded to IRDA while seeking approval for appointment. On proceeding with the appointment of Principal Officer and disclosing Mr K S Gopalakrishnan as Principal Officer in the website, your company submitted that the disclosure in the website was done without proper internal approvals.

On examining the submissions on the matter of forwarding inconsistent information to the Authority, it is stated that on issues such as appointment of Principal Officer that are deliberated by the Board, the Life Insurer is expected to exercise complete care while forwarding the minutes. It shall be noted that, as the Authority has to rely on the copy of minutes forwarded, the Life Insurer shall be more vigilant and consistent, as any discrepancies noticed lowers the level of regulatory comfort to rely on the documents forwarded. Hence, it is considered that your company did not take adequate care to submit consistent information and documents to the Authority in this matter.

The submissions on proceeding with the appointment of Mr KS Gopalakrishnan as the Principal Officer and disclosure in its website without obtaining prior approval of IRDA, revealed the poor governance / internal controls of your company and are considered as a disregard to the instructions issued by IRDA and a violation of Section 34 A of the Act.

After examining the submissions, your company is hereby warned for forwarding inconsistent information and for violating Section 34A of the Act. Your Company is also directed to ensure consistency in the information that is submitted and comply with the provisions of Section 34A of the Act scrupulously.

Yours faithfully,



Sudhin Roy Chowdhury
Member (Life)