



MINUTES OF THE 68TH MEETING OF THE AUTHORITY

held on June 29, 2011 at 11.30 a.m.

in the Office of the IRDA at 3rd Floor, Parishram Bhavan, Basheer Bagh, Hyderabad.

Present:	Chairman	Shri J Hari Narayan
	Member	Shri G Prabhakara
	Member	Shri R.K. Nair
	Member	Mr M Ramaprasad

Also present:	Executive Director	Shri K Subrahmanyam
	CSO (Life)	Shri Kunnel Prem
	Designated Officer	Shri A Giridhar

Chairman extended a warm welcome to all those who were present. Leave of absence was granted to Smt L M Vas, Addl Secretary, Ministry of Finance, Shri G Ramaswamy, President, ICAI, Prof V K Gupta, Director, MDI and Smt. Ela R Bhatt, SEWA who could not attend because of prior commitment.

Item # 1: Confirmation of Minutes of the 67th Meeting of the Authority held on March 28, 2011.

The Authority approved the Minutes of the 67th Meeting of the Authority held on March 28, 2011.

Resolution No: 68:1

IRDA resolved to confirm the Minutes of the 67th meeting held on March 28, 2011.

Item # 2: Action Taken Report on the Minutes of the 67th Meeting of the Authority held on March 28, 2011

Noted.

Item # 3: Modification in the Scheme of Child Care Leave.

The Authority agreed to replace Point No.ix with the following point :-

“xi) After availing CCL, they shall not avail Earned Leave (EL) encashment for the next two years, from the date of sanction of CCL. The two years shall be reckoned from the date of latest sanction of CCL.”

Item # 4: Draft Codicil to the Deed of Endowment – IIRM

It was explained that since the Endowment was made in 2002, IIRM has made significant progress and certain aspects of the Endowment Deed require modifications in the light of the experience gained. It was also stated that the Draft Codicil to the Deed of Endowment carries out the following major changes:

- a. Constitution of the Endowment Committee- The committee will comprise, Chairman, IRDA (EX-Officio), Managing Director, IIRM and one more person of eminence in the field of Insurance, Risk Management and Other related legal or financial services / education.
- b. The Committee will meet once in a year to monitor the endowment fund.
- c. The return on the investments shall be applied for all revenue costs and expenditure that may be incurred towards conduct of research and training activities. However, income subject to maximum of 50% of the income from such investments may also be spent for capital item.
- d. Endowment Fund vested with IIRM can also be utilized for acquisition of the capital asset subject to condition that the value of such asset should not exceed more than Rs.5crores.
- e. Separate accounts of the endowment fund will be kept by IIRM

The following resolution was passed unanimously:

Resolution No: 68:4

IRDA resolved that Draft Codicil to the Deed of Endowment-IIRM placed before the Authority is approved without any modification. ED-Admn is authorized to take such steps as may be felt necessary in this case.

Item # 5: Revision of Maximum House Building Loan Limit to eligible Officers and Employees of IRDA

The Authority approved the proposal for revision of Housing Building Advance/Loan as given below:

- i) To increase the existing Rs.25 lacs HBA upper limit to Rs.30 lacs;

- ii) The aggregate ceiling of HBA & Provident Fund advance/withdrawal will be Rs. 45 lakh (HBA limited to Rs.30 lacs); and
- iii) The HBA shall be subject to 90% of the cost of the property.

Resolution No: 68:5

IRDA resolved to accord approval for revision of Maximum House Building Loan Limit as proposed in the agenda.

Item # 6: Selection Procedure to be adopted for Providers' Representation in Health Insurance Council (HIC)

The Selection Procedure to be adopted for Providers' Representation in Health Insurance Council (HIC) was discussed. It was suggested that instead of six providers from each hospital we may allow eight providers. The approval of service providers will rest with the Authority.

Item # 7: Draft Regulations - IRDA (Issues of Capital and Disclosure Requirements for Life Insurance Companies) Regulations, 2011

The Board considered the memorandum and approved the IRDA (Issuance of Capital by Life Insurance Companies) Regulations, 2011 [IRDA (ICLIC) Regulations, 2011]. The Chairman explained that in terms of Section 6AA of the Insurance Act, 1938, the manner of divesting the excess shareholding by Indian promoters after 10 years of commencement of operations in certain cases needs to be laid out. The Section further provides that the manner and procedure of such divestment shall be specified by the Regulations made by the Authority.

It was submitted that in view of the fact that the insurance companies follow certain specific actuarial and accounting principles, there is a need to specify the disclosures with regard to the public issue of shares. In this context, a Sub-Group constituted by SEBI Committee on Disclosure and Accounting Standards (SCODA) and comprising of representatives of SEBI and IRDA examined the international best practices and submitted its Report on the Disclosure Requirements. The Report of the Sub-Committee on these disclosure disclosures have since been recommended to the Board of SEBI and adopted for the purpose of public disclosures.

It was further submitted to the Board that the IRDA (ICLIC) Regulations, 2011 have been widely circulated to the Life Insurance and General Insurance Councils and placed on the IRDA Website for public comments. The Draft Regulations were also examined by the Chairman of the Standing Committee on Accounting Issues (SCAI) of the Authority and submitted to the Insurance Advisory Council (IAC) for their advice on June 28, 2011. The Board further directed that the Authority lay down the procedures with respect to transfer of shares under Section 6A of the Insurance Act, 1938.

Resolution No: 68: 7

IRDA resolved to accord approval to the “IRDA (Issuance of Capital by Life Insurance Companies) Regulations, 2011” and authorized the Chairman to carry out the necessary modifications in the draft regulations.

Additional Agenda Item # 1: Annual Statement of Accounts of the Authority for the year ended 31st March 2011.

The final accounts of the Authority for the year ended 31st March, 2011 were placed before the Authority for adoption and approval. The Following resolution was unanimously passed by the Authority

Resolution No: 68: S : 1

IRDA resolved that the final Accounts of the Authority authenticated by the CAO placed before the Authority be adopted and approved by the Authority. CAO was authorized to take necessary action to forward it to C&AG for audit.

There was no other item for discussion and the meeting concluded with vote of thanks to the Chairman.

**(J Hari Narayan)
Chairman**