

Public Disclosures by Insurers

A. Background

- i. The Authority (IRDAI) issued circulars ref: IRDA/F&I/CIR/F&A/012/01/2010 dt. 28.01.2010 and IRDA/F&I/CIR/PBDIS/105/05/2011 dt. 27.5.2011 on "Public Disclosures by Insurers". Guidelines on Periodic Disclosures were also issued by the Authority vide dt. 9.4.2010 and circular ref: IRDA/CAD/CIR/245/11/2012 dt. 20.11.2012. As per the directions of the Authority, public disclosures of financial and other information of insurers are to be made in newspapers and insurers' websites on a periodical basis by the respective insurers. The formats and frequency of disclosures has also been specified by the Authority.
- ii. The Authority has been issuing Regulations, Guidelines and Circulars and specifying the formats for various reporting requirements. There have been changes in some reporting formats since the instructions were issued on Public Disclosures. Formats prescribed under Public Disclosures are also to be aligned with the present reporting formats specified by the Authority under various Regulations / Guidelines / Circulars. Hence, it has been decided to amend the Public Disclosure formats specified by the Authority for insurance companies, by revision/modification/addition to the existing formats to align the same with the present reporting formats and to enhance the disclosures for comparison at industry level. Accordingly, the following directions are issued on Public Disclosures by Insurers.

B. General

- i. The Authority is entrusted with the regulation, promotion and orderly growth of insurance business in India. Maintaining efficient, fair and stable insurance market is necessary for the growth of the industry as well as for the protection of the policyholders. Public disclosure of facts and figures by the insurers is very important for strengthening Corporate Governance and market discipline of the Industry. Further, they should provide necessary feedback to the insurance regulator to ensure protection of the interests of both the investors as well as the policyholders.
- ii. The International Association of Insurance Supervisors (IAIS) has recognized that the insurers have an equal if not greater responsibility towards the policyholders than their duty towards the other stakeholders. Public disclosures on the risks faced by the insurers, provide information to the policyholders to make informed decisions before entering into an insurance contract. It may not be possible for an individual policyholder to have necessary ability and resources to undertake the task of assessing the insurers. However, various expert stakeholders in the market can provide necessary inputs based on the disclosures which will help them in assessing the risk exposure of an insurer while entering into a contract with the insurer. It is essential

that the investors are fully aware of the financial performance, company profile, financial position, the risk exposure, the elements of corporate governance in place and the management of the insurance companies. Hence, Public Disclosures performance becomes a necessity for all the insurance companies whether they are listed on any stock exchange or not.

- iii. Public Disclosures by Insurers shall be made on standalone basis and not on consolidated basis.

C. Objectives

The objectives behind mandating Public Disclosures at periodic intervals include the following:

- i. To ensure safety of policyholders;
- ii. To assess risk exposure of an insurer;
- iii. To provide information to investors on insurer's financial performance, financial position, risk exposure, corporate governance and management of the insurance companies;
- iv. To ensure the stewardship responsibilities are discharged;
- v. To ensure orderly growth of the Insurance Sector;
- vi. To have uniformity in publicly available information of the performance indicators;
- vii. To have consistency in reporting of the data mentioned in various forms.

D. Applicability

These instructions shall be applicable to insurers as mentioned below:

- i. Part-A – Instructions applicable to all insurers
- ii. Part-B – Instructions applicable to Life insurers
- iii. Part-C – Instructions applicable to Non-Life insurers, i.e., General Insurers, Health Insurers, Specialized Insurers and Reinsurers including Branches of Foreign Reinsurers.

Part-A – Instructions applicable to all insurers

I. Publication in News Paper

- a. Insurers, except Reinsurers and Branches of Foreign Reinsurers, shall publish Revenue Account, Profit & Loss Account, Balance Sheet and Analytical Ratios **on half yearly basis** as per the formats specified for Life and Non-Life insurers.
- b. The publication for the period ending 31st March should contain the full financial year information.

- c. The publication for the half-year ending 30th Sept. must be made within 60 days from the end of the half year period or within 15 days from the date of approval of the accounts by the Board of Directors, whichever is earlier.
- d. The publication for the period ending 31st March (Annual) by the Insurers except Reinsurers and Branches of Foreign Reinsurers, must be made within 6 months of the close of the financial year or within 30 days from the date of adoption of final accounts by the Board of Directors whichever is earlier.
- e. Reinsurers and Branches of Foreign Reinsurers shall publish Revenue Account, Profit & Loss Account, Balance Sheet and Analytical Ratios **on yearly basis** as per the formats specified for Non-Life insurers. They are provided additional time of 30 days from the above said time limit, for ensuring compliance with the above.
- f. Insurer shall publish in at least one English daily newspaper circulating in the whole or substantially the whole of India and in one newspaper published in the regional language of the region where the registered office is situated or in Hindi.
- g. The publication should be in font size of at least 10.
- h. From the reporting period for which these instructions are applicable, the corresponding previous year figures should be stated as per the revised formats.

II. Publication on Website

- a. Insurers, except Reinsurers and Branches of Foreign Reinsurers, shall host all the forms including Revenue Account, Profit & Loss Account, Balance Sheet, Schedules to Accounts and other forms, on their website on quarterly basis as per the formats specified for Life and Non-Life insurers.
- b. Reinsurers and Branches of Foreign Reinsurers shall host all the forms as applicable out of the forms specified for Non-Life insurers, on Half-yearly/Yearly basis.
- c. Receipt and Payment Account shall be displayed by insurers along with year-end disclosures.
- d. The forms should be displayed on the website not later than
 - For the period ending June and December – within 45 days from the quarter end
 - For the period ending September – within 60 days from the half-year end or 15 days from the date of approval of the accounts by the Board of Directors whichever is earlier

- For the period ending March (Annual) – within 6 months of the close of the financial year or within 30 days from the date of adoption of final accounts by the Board of Directors whichever is earlier
 - Reinsurers including Branches of Foreign Reinsurers are provided additional time of 30 days from the above said time limits, for ensuring compliance with the above.
- e. Disclosures for the earlier quarters should be available year wise under archives for a minimum period of 5 years. Insurers may display information for the earlier years in the old formats. However, from the reporting period for which these instructions are applicable (i.e., from the quarter ending 30th September, 2021), the corresponding previous quarter/year figures should be stated as per the revised formats.
 - f. 'Public Disclosures' should be clearly visible as a part of the main menu on the home page of the insurer's website and accessible to all. Search option in the website also should lead to the exact place on the website where Public Disclosures are placed. Under 'Public Disclosures', financial year wise disclosures should be made available. Insurers shall ensure that the web link for public disclosures given on the website www.irdai.gov.in leads to the public disclosure page of the respective insurer.
 - g. All the disclosures of a quarter should be placed together under a particular financial year in PDF format. The font size of the PDF documents should be of at least 10.
 - h. Financial year wise Annual Reports including the Management's Discussion and Analysis, Auditor's Report, Directors' Report, Financial Statements including the Notes to Accounts, Significant Accounting Policies and Schedules, etc., should also be placed on the website of the insurers under 'Public Disclosures'.
 - i. Proper internal control system and procedures should be in place for uploading the files on the website to ensure that there is no unauthorized uploading / modification to the disclosures on the website. Any subsequent changes in the already uploaded files should be duly authorized and the records for the same should be available for inspection of IRDAI, if required. The documents uploaded shall have the version number and date of upload in all the pages.

III. Other instructions

- a. Non-Life insurers include General Insurers, Health Insurers, Specialized Insurers and Reinsurers including Branches of Foreign Reinsurers.
- b. Listed insurers, in addition to complying with the public disclosure requirements specified by the Authority, shall also comply with the SEBI disclosure requirements, wherever applicable.

- c. In case of voluntary additional disclosures, consistency needs to be maintained by the insurers.
- d. Definitions and References are provided in the formats wherever required. Insurers are advised to comply with the respective Regulations/Guidelines/Circulars issued by the Authority in this regard.
- e. The Authority has standardized the Key Analytical Ratios mandated for Life and Non-Life insurance companies. Insurers are advised to compute the ratios as defined in the annexure provided along with the Analytical Ratio format.
- f. Limited Review by auditors and Quarterly un-audited financial results
 - i) The half yearly accounts shall be subject to limited review by the auditors. The limited review report shall be placed before the Board of Directors or a Committee thereof.
 - ii) In case of disclosures where the un-audited quarterly financial results are published, these shall be approved by the Board of Directors of the company or by a Committee thereof:
 - Provided that when the quarterly financial results are approved by the Committee they shall be placed before the Board at its next meeting.
 - Provided further that while placing the financial results before the Board, the Chief Executive Officer, Chief Financial Officer, Compliance Officer and Appointed Actuary (in case of Life insurer) of the company, shall certify that the financial results do not contain any false or misleading statements or figures and do not omit any material fact which may make the statements or figures contained therein misleading.
 - iii) Where there is a variation between the un-audited published results and the audited results, and
 - the variation in surplus / deficit or net profit / net loss after tax is in excess of 10% or Rs.5 crore, whichever is higher; or
 - the variation in exceptional or extraordinary items is in excess of 10% or Rs. 1 crore, whichever is higher –

the company shall submit to the Authority an explanation stating reasons for variations, along with the annual financial statements. The explanation of variations so submitted shall be duly approved by the Board of Directors.

g. Submission of Compliance Certificates

Insurers are required to file a certificate confirming compliance with the stipulation on public disclosures as under:

- Compliance with requirements on publication in the Newspaper
[\(Annexure V\)](#)
- Compliance with disclosure requirements on the Insurer's Website
[\(Annexure VI\)](#)

The certificate is required to be submitted to the Authority within one week of applicable timelines under the respective disclosure (Newspaper/Website) requirements.

- h. These instructions shall come into effect from the financial year 2021-22. The uploading of disclosures on website shall be on quarterly basis from the period ending 30th September, 2021, whereas publishing in Newspaper will be on half yearly basis from the period ending 30th September, 2021.
- i. These instructions will supersede the provisions of circular ref. IRDA/F&I/CIR/F&A/012/01/2010 dt. 28.01.2010, Guidelines on Periodic Disclosures dt. 9.4.2010, circular ref: IRDA/F&I/CIR/PBDIS/105/05/2011 dt. 27.05.2011 and circular ref: IRDA/CAD/CPR/245/11/2012 dt. 20.11.2012 issued by the Authority on Public/Periodic Disclosures by Insurers.
- j. Due care shall be taken in rounding off the balances while reporting the figures. The absolute figure under a particular description/head of account shall be arrived first and then rounding off shall be done.
- k. Words and expressions used in these instructions will have the same meaning assigned to them in Insurance Act, 1938, IRDA Act, 1999 and the Regulations, Guidelines and Circulars issued by the Authority.

Part-B Instructions applicable to Life insurers

I. Publication in News Paper

- a. Formats of disclosures are specified in [Annexure I](#)
- b. Form L-1-A-A-RA- Revenue Account - In order to minimize the publication cost, the following is decided as regards newspaper publication:
- Disclosures as regards lines of business may fall under the broad heads viz., Life, Pension and Group under Linked and Non-Linked Business.

- Annuity may be clubbed with Pension for disclosure purpose.
- Health and Variable insurance may be clubbed with Life (Individual) / Group as the case may be under Linked / Non-Linked Business.

The relaxations provided above are only for the purpose of publication in newspapers. As regards display on website, all the segments as specified in the Accounting Regulations / circulars issued thereon will be applicable.

II. Publication on Website

- a. Formats of disclosures are specified in [Annexure II](#). Schedule references are only to comply with these instructions on Public Disclosures by Insurers. It will not change the Schedule reference to the financial statement to be prepared under Accounting Regulations.
- b. Listed Life insurers shall disclose Embedded Value (EV) as a part of Annual Public Disclosure. EV should be published only after being vetted by an independent actuary. The disclosure shall also include,
 1. Assumptions used;
 2. Relevant Actuarial / Professional guidance followed; and
 3. Analysis of changes / movement in EV relative to the last disclosure.
- c. Unlisted Life insurers may disclose EV voluntarily as a part of Annual Public Disclosure. Such voluntary disclosure made, if any, should be made along with disclosures mentioned at (1) to (3) above.

Part-C Instructions applicable to Non-Life insurers, i.e., General Insurers, Health Insurers, Specialized Insurers and Reinsurers including Branches of Foreign Reinsurers

I. Publication in News Paper

- a. Formats of disclosures are specified in [Annexure III](#)

II. Publication on Website

- a. Formats of disclosures are specified in [Annexure IV](#). Schedule references are only to comply with these instructions on Public Disclosures by Insurers. It will not change the Schedule reference to the financial statement to be prepared under Accounting Regulations.

- b. Form NL-48 - Disclosures on Quantitative and Qualitative parameters of Health Services rendered (Annual Disclosure) shall be published within a period of ninety days from the close of the financial year.

List of Annexures:

[Annexure I](#) – Life Newspaper Disclosures

[Annexure II](#) – Life Website Disclosures

[Annexure III](#) – Non-Life Newspaper Disclosures

[Annexure IV](#) – Non-Life Website Disclosures

[Annexure V](#) – Compliance Certificate for Newspaper Publication

[Annexure VI](#) – Compliance Certificate for Disclosure on website