

## Item No. 13

### Repatriation of Surplus by SCOR SE India Branch under IRDAI (Registration and Operations of Branch Offices of Foreign Reinsurers other than Lloyd's) Regulations, 2015.

#### 1. Background

- a) SCOR SE India Branch (FRB) has submitted an application under the IRDAI (Registration and Operations of Branch Offices of Foreign Reinsurers other than Lloyd's) Regulations, 2015, seeking approval of the Authority for Repatriation of Surplus of Rs. 16.5 crore from SCOR SE India Branch to parent company SCOR SE. The same has been approved by its Executive Committee on 24.09.21.
- b) The FRB was granted the Certificate of Registrations (R3) in the FY 2016-17. The FRB has been reporting profit from operation since 31<sup>st</sup> March, 2021. The FRB does not have any accumulated losses.
- c) SCOR SE India Branch has recorded a profit of Rs. 215.28 crore for the year ended March, 2021.
- d) As per Regulations **28 (11)** (Operational issues pertaining to branch office of foreign reinsurer) of IRDAI (Registration and Operations of Branch Offices of Foreign Reinsurers other than Lloyd's) Regulations, 2015, reads as-

***“Repatriation of surplus – Any repatriation of the surplus generated by the operations of the branch offices of foreign reinsurers shall be only with prior approval of the Authority. The Authority before granting such an approval shall obtain all relevant information and satisfy itself that the assets of the Branch office are adequate to meet their liabilities. In addition, the repatriation of surplus shall comply with the other requirement of RBI/ FEMA, as applicable.”***

e) The solvency margin of the previous four quarter is given below-

Quarter ending	Solvency Ratio
March, 21	3.24
June, 21	3.16
Sep, 21	3.48
Dec, 21	3.13

f) FRB has submitted the projected solvency position for a period of two years and is also maintaining solvency margin above the threshold limit of 1.5. The FY 2020-21 and the projected range of solvency in FY 2021-22 & FY 2022-23 is-

In INR Crores	March, 2021 (Audited)	March, 2022 (Forecasted)	March, 2023 (Forecasted)
Available Capital without repatriation	984.07	1041.06	1084.49
Solvency without repatriation	324%	340%	323%
Available Capital with repatriation	984.07	1024.58	1067.02
Solvency with repatriation	324%	335%	317%
Gross Written Premium	1805.49	1749.60	1975.36
Gross Claims	(1093.32)	(1222.21)	1425.66)
Gross Profit (After Tax)	215.28	57.05	42.43

g) The Chief Financial Officer of the FRB has certified vide letters dated 5-10-2021 & 24-11-2021 that the Assets of the Branch Office are sufficient to meet its liabilities.

h) The FRB has further submitted a confirmation that they shall ensure compliance with all applicable provisions under the RBI and FEMA before repatriation of surplus.

## **2. Observations**

FRB is meeting regulatory requirements for repatriation of **Rs. 16.50** crore proposed to parent company SCOR SE as specified in the IRDAI (Registration and Operations of Branch Offices of Foreign Reinsurers other than Lloyd's) Regulations, 2015.

## **3. Approval sought from the Authority**

Approval of the Authority is sought for granting permissions to the FRB for repatriation of **Rs. 16.50 crore** from SCOR SE India Branch to parent company SCOR SE.

Placed for the approval of the Authority.