

**INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY**  
**NOTIFICATION**

New Delhi, the 14th July, 2000

**Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Regulations, 2000**

**F. No. IRDA/Reg/7/2000.—**

"In exercise of the powers conferred by section 114A of the Insurance Act, 1938 (4 of 1938) read with section 26 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999), the Authority, in consultation with the Insurance Advisory Committee, hereby makes the following regulations, namely:-

**CHAPTER I**

**1. Short title and commencement.**—(1) These regulations may be called Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Regulations, 2000.

(2) They shall come into force on the date of their publication in the Official Gazette.

**2. Definitions.**—In these regulations, unless the context otherwise requires, -

(a) "Act" means the Insurance Act, 1938 (4 of 1938);

- (b) “*Authority*” means the Insurance Regulatory and Development Authority established under sub-section (1) of section 3 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999);
- (c) “*certificate*” means a certificate of registration granted or renewed by the Authority under these regulations;
- (d) “*enquiry officer*” means an officer of the Authority or any person specifically appointed by it to conduct an enquiry for purposes of these regulations;
- (e) “*general annuity business*” means the business of effecting contracts to pay annuities on human life but does not include contracts under pension business;
- (f) “*health insurance business*” or “*health cover*” means the effecting of contracts which provide sickness benefits or medical, surgical or hospital expense benefits, whether in-patient or out patient, on an indemnity, reimbursement, service, prepaid, hospital or other plans basis, including assured benefits and long term care;
- (g) “*Indian promoter*” means and includes---
- (i) a company formed under the Companies Act, 1956 (1 of 1956), which is not a subsidiary as defined in section 4 of that Act;
  - (ii) a banking company as defined in subsection (4A) of section 2 of the Act but does not include a foreign bank or branch thereof functioning in India;
  - (iii) a Public financial institution as defined in section 4A of the Companies Act, 1956 (1 of 1956);
  - (iv) a co-operative society registered under any relevant law for the time being in force;
  - (v) a person, who is an Indian citizen or a combination of persons who are Indian citizens;
- (h) “*infrastructure facility*” means ---
- (i) a road, highway, bridge, airport, port, Railways including BOLT, road transport system, a water supply project, irrigation project, industrial parks, water treatment system, solid waste management system, sanitation and sewerage system;
  - (ii) generation or distribution or transmission of power;

- (iii) telecommunication;
- (iv) project for housing;
- (v) any other public facility of a similar nature as may be notified by the Authority in this behalf in the Official Gazette;
- (i) “*linked business*” means life insurance contracts or health insurance contracts under which benefits are wholly or partly to be determined by reference to the value of underlying assets or any approved index;
- (j) “*non-linked business*” means life insurance contracts or health insurance contracts which are not linked business;
- (k) “*pension business*” includes business of effecting contracts to manage investments of pension funds or superannuation schemes or contracts to pay annuities that may be approved by the Authority in this behalf;
- (l) “*principal officer*” means any person connected with the management of the applicant or any other person upon whom the Authority has served notice of its intention of treating him as the principal officer thereof;
- (m) All words and expressions used herein and not defined in but defined in the Insurance Act, 1938(4 of 1938), or in the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999), shall have the meanings respectively assigned to them in the those Acts.

## CHAPTER II

**3. Procedure for registration.**—(1) An applicant desiring to carry on insurance business in India shall make a requisition for registration application in Form IRDA/R1.

(2) An applicant, whose requisition for registration application has been accepted by the Authority, shall make an application in Form IRDA/R2 for grant of a certificate of registration.

**4. Classes of insurance business for which requisition for registration application may be made.**—(1) An applicant shall make a separate requisition for registration application under regulation 3 for each class of business of insurance.

(2) The classes of business of insurance for which requisition for registration application may be made are :

(a) Life insurance business consisting of linked business, non-linked business or both;

or,

(b) general insurance business including health insurance business (or health cover).

**5. Requisition for Registration Application.**—(1) An applicant shall be eligible to apply for requisition referred to in sub-regulation (1) of regulation 3, if such applicant upon registration will be an Indian insurance company as defined in section 2(7A) of the Act:

Provided that the applicant whose,-

(i) requisition for registration application has been rejected by the Authority at any time during the preceding five financial years on the date of requisition for registration application; or

(ii) application for registration has been rejected by the Authority at any time during the preceding five financial years on the date of requisition for registration application; or

(iii) certificate of registration has been cancelled or withdrawn by the Authority; or

(iv) name does not contain the words ‘insurance company’ or ‘assurance company’;

shall not be eligible to make a requisition for registration application under this regulation.

(2) Every requisition for registration application shall be accompanied by-----

(a) a certified copy of the memorandum of association and articles of association, where the applicant is a company and incorporated under Companies Act, 1956 (1 of 1956);

(b) the name, address and the occupation of the directors and principal officer;

(c) a statement of the class of insurance business proposed to be carried on;

(d) a statement indicating the sources that will contribute the share capital required under section 6 of the Act;

**6. Furnishing of further information and clarification, etc.**---(1) The Authority may require the applicant, which makes a requisition under regulation 3, to furnish further information or clarification regarding the matters relevant to consider the requisition for registration application.

(2) The applicant referred to in sub-regulation (1) of Regulation 5, if so required, may appear before the Authority through its principal officer.

**7. Consideration of requisition for registration application.**--- The Authority on being satisfied that---

(a) the requisition in Form IRDA/R1 is complete in all respects and is accompanied by all documents required therein;

(b) all information given in the Form IRDA/R1 is correct;

(c) the applicant will carry on all functions in respect of the insurance business including management of investments within its own organisation;

(d) the applicant submitting requisition for registration application—

(i) is a bona fide applicant for registration under section 3 of the Act;

(ii) will be in a position to comply with all the requirements for grant of certificate;

may accept the requisition and direct supply of the application for registration to the applicant.

**8. Rejection of requisition for registration application.**—(1) Where the requirements under regulation 7 are not complied with, the Authority may, after giving the applicant a reasonable opportunity of being heard, reject the application.

(2) The order rejecting the application under sub-regulation (1) shall be communicated by the Authority within thirty days of such rejection to the applicant in writing stating therein the ground on which the application has been rejected.

(3) An applicant aggrieved by the decision of the Authority under sub-regulation (2) may, within a period of thirty days from the date of such communication, apply to the Authority for reconsideration of its decision.

(4) The Authority shall consider the application made under sub-regulation (3) and communicate its decision, as soon as possible, in writing to the applicant.

**9. Action upon rejection of application for requisition.**—An applicant, whose requisition for registration application has been rejected, may approach the Authority with a fresh request for registration application after a period of two years from the date of rejection, with a new set of promoters and or for a class of insurance business other than the originally proposed one.

### CHAPTER III

**10. Application for registration.**—(1) An applicant, whose requisition has been accepted, may make an application in Form IRDA/R2 for grant of certificate of registration.

(2) Every application shall be accompanied by---

- (a) documentary proof evidencing the making of deposit required under section 7 of the Act.
- (b) evidence of having rupees one hundred crore or more paid up equity share capital, in case the application for grant of certificate is for life insurance business or general insurance business;
- (c) evidence of having rupees two hundred crore or more paid up equity share capital, in case the application for grant of certificate is for re-insurance business;
- (d) an affidavit by the principal officer and the promoters of the applicant certifying that the requirements of the first proviso to section 6 of the Act to the effect that paidup share capital is adequate after excluding any preliminary expenses incurred in the formation and registration of the company and the deposit required to be made under section 7 of the Act have been satisfied;
- (e) a statement indicating the distinctive numbers of shares issued to each promoter and shareholder in respect of share capital of the applicant;
- (f) an affidavit by the principal officer and the promoters of the applicant certifying that the paid up equity capital referred to in sub-clause (b) of clause (7A) of section 2 of the Act, calculated is in accordance with regulation 11 does not exceed twenty six percent;
- (g) a certified copy of the published prospectus, if any;
- (h) a certified copy of the standard forms of the insurer and statements of the assured rates, advantages, terms and conditions to be offered in connection with insurance policies together with a certificate by an actuary in case of life insurance business that such rates, advantages, terms and conditions are workable and sound;
- (i) a certified copy of the memorandum of understanding entered into between the Indian promoter and the foreign promoter, if any, or amongst the

promoters as a whole including details of the support comfort letters exchanged between the parties;

- (j) the original receipt showing payment of the fee of rupees fifty thousand for a class of business;
- (k) a certificate from a practising chartered accountant or a practising company secretary certifying that all the requirements relating to registration fees, share capital, deposits, and other requirements of the Act have been complied with by the applicant;
- (l) any other information required by the Authority during the processing of the application for registration.

**11. Manner of calculation of twenty six per cent. equity capital held by a foreign company.—**

- (1) For the purposes of the Act and these Regulations, the calculation of the holding of equity shares by a **foreign company either by itself or through its subsidiary companies or its nominees** (*hereafter referred to as foreign investor*) in the applicant company, shall be made as under and shall be aggregate of:-
  - (i) the quantum of paid up equity share capital held by the foreign company either by itself or through its subsidiary companies or nominees in the applicant company;
  - (ii) the quantum of paid up equity share capital held by other foreign investors, non-resident Indians, overseas corporate bodies and multinational agencies in the applicant company; and
  - (iii) the quantum represented by that proportion of the paid up equity share capital to the total issued equity capital of an Indian promoter company mentioned in sub-clause (i) of clause (g) of regulation 2 held or controlled by the category of persons mentioned in sub-clauses (i) and (ii) of this sub regulation.

*Explanation:* For purposes of calculation referred to above, account need not be taken of the holdings of equity in an Indian promoter company held by foreign institutional investors, other than the foreign promoters of the applicant and their subsidiaries and nominees, and Indian mutual funds to the extent the investment of foreign institutional investors and Indian mutual funds are within the approved limits laid

down by the Securities and Exchange Board of India under its rules, regulations or guidelines issued from time to time.

- (2) Every insurer who has been granted registration under the Act shall, within 15 days of the end of every quarter, furnish to the Authority a statement indicating changes exceeding 1% of the issued capital in the holding of the shares in his company and those of the promoter.
- (3) Interpretation : The interpretation of this regulation will be that of the Authority, whose decision on all issues will be binding on all applicants/insurers and will be final.

**12. Consideration of Application.**-(1) The Authority shall take into account for considering the grant of certificate, all matters relating to carrying on the business of insurance by the applicant.

(2) In particular and without prejudice to the generality of the foregoing without in any manner affecting its freedom, the Authority shall consider the following matters for grant of certificate to the applicant, namely:-

- (a) the record of performance of each of the promoters in the fields of business/profession they are engaged in;
- (b) the record of performance of the directors and persons in management of the promoters and the applicant;
- (c) the capital structure of the applicant company;
- (d) the extent of obligation to provide life insurance or general insurance policies to the persons residing in the rural sector, workers in the unorganised sector or informal sector or for economically vulnerable or backward classes of the society and other categories of persons specified by the Authority;
- (e) the nature of insurance products;
- (f) the planned infrastructure of the applicant company, including branches in rural areas, to effectively carry out the insurance business;
- (g) the level of actuarial and other professional expertise within the management of the applicant company;
- (h) the organisation structure of the applicant to meet the requirements of regulation 7(c).
- (i) other relevant matters for carrying out the provisions of the Act.

(3) The Authority shall give preference in grant of certificate of registration to those applicants who propose to carry on the business of providing health covers to individuals or groups of individuals.

**13. Rejection of application for registration.**—(1) Where an application for registration is not complete in all respects and does not conform to the regulations or instructions specified in Form IRDA/R2, and after considering matters referred to in regulations 12 and 16 and on being satisfied that it is not desirable to grant a certificate by the Authority, by an order, may reject the application.

(2) The order rejecting the application under sub-regulation (1) shall be communicated by the Authority within thirty days of such rejection to the applicant in writing stating therein the ground on which the application has been rejected.

(3) An applicant aggrieved by the decision of the Authority under sub-regulation (2) may, within a period of thirty days from the date of such communication, appeal to the Central Government in accordance with sub-section (2C) of section 3 of the Act, for reconsideration of such decision.

(4) The decision of the Central Government on such appeal shall be final and shall not be questioned before any Court.

(5) The fees, referred to in clause (j) of sub-regulation (2) of regulation 10, shall not be refunded.

**14. Effect of rejection of application for registration.**—An applicant, whose application for registration has been rejected shall not be entitled to a certificate:

An applicant may approach the Authority with a fresh request for registration after a period of two years from the date of rejection, with a new set of promoters and or for a class of insurance business other than the originally proposed one.

**15. Manner of payment of fee for registration.**—The fee of rupees fifty thousand for each class of business for registration shall be remitted by a bank draft issued by any scheduled bank in favour of the Insurance Regulatory and Development Authority payable at New Delhi.

**16. Grant of certificate of registration.**—The Authority, after making such inquiry as it deems fit and on being satisfied that—

- (a) the applicant is eligible, and in its opinion, is likely to meet effectively its obligations imposed under the Act;
- (b) the financial condition and the general character of management of the applicant are sound;

- (c) the volume of business likely to be available to, and the capital structure and earning prospects of, the applicant will be adequate;
- (d) the interests of the general public will be served if the certificate is granted to the applicant in respect of the class of insurance business specified in the application; and
- (e) the applicant has complied with the provisions of sections 2C, 5, 31A 32 and 32A has fulfilled all the requirements of these sections applicable to him,

may register the applicant as an insurer for the class of business for which the applicant is found suitable and grant him a certificate in Form IRDA/R3.

17. An applicant granted a certificate of registration under the Regulations shall commence insurance business for which he has been authorised within 12 months of the date of registration.

Provided, however, that if the company feels that it will not be able to commence the insurance business within the specified period of 12 months, it can before the time limit expires, seek an extension, by a proper written application, to the Authority.

18. The Authority on receipt of the request referred to in Regulation 17 will examine it and communicate its decision in writing either rejecting the request or granting it.

19. No extension of time shall be granted by the Authority beyond 24 months from the date of grant of registration under Regulation 16.

## CHAPTER IV

**20. Manner of renewal of certificate.**—(1) An insurer, who has been granted a certificate under section 3 of the Act, shall make an application in Form IRDA/R5 for the renewal of the certificate to the Authority before the 31<sup>st</sup> day of December each year, and such an application shall be accompanied by evidence of the payment of the fee which shall be the higher of,---

- (a) fifty thousand rupees for each class of insurance business, and
- (b) one-fifth of one per cent. of total gross premium written direct by an insurer in India during the financial year preceding the year in which the application for renewal of certificate is required to be made, or rupees five crores, whichever is less; (and in the case of an insurer carrying on solely re-insurance business, instead of the total gross premium written direct in India, the total premium in respect of facultative reinsurance accepted by him in India shall be taken into account)

(2) If the insurer fails to apply for the renewal of registration before the date specified in sub-regulation (1), the Authority may accept an application for renewal of registration on receipt of the fee payable with the application along with an additional fee by way of penalty of ten per cent. of the fee payable with the application.

**21. Manner of payment of fee for renewal of certificate.**—The fee for renewal of certificate shall be paid to the account of Insurance Regulatory and Development Authority with the Reserve Bank of India.

**22. Issue of duplicate certificate.**—The Authority may, on receipt of fee of rupees five thousand, issue a duplicate certificate to an insurer, if the insurer makes an application to the Authority in Form IRDA/R4.

## CHAPTER – V

### PROCEDURE FOR ACTION IN CASE OF DEFAULT

**23. Suspension of certificate.**— Without prejudice to any penalty which may be imposed or any action taken under the provisions of the Act, the registration of an Indian insurance company or insurer who ---

- (a) conducts its business in a manner prejudicial to the interests of the policyholders;
- (b) fails to furnish any information as required by the Authority relating to its insurance business;
- (c) does not submit periodical returns as required under the Act or by the Authority;
- (d) does not cooperate in any inquiry conducted by the Authority;
- (e) indulges in manipulating the insurance business;
- (f) indulges in unfair trade practices;
- (g) fails to make investment in the infrastructure or social sector specified under sub-section (1A) of section 27D of the Act,

may be suspended for a class or classes of insurance business for such period as may be specified by the Authority by an order;

Provided that the Authority for reasons to be recorded in writing may, in case of repeated defaults of the type mentioned above, impose a penalty of cancellation of certificate.

**24. Manner of making order of suspension or cancellation of certificate.**— No order of suspension or cancellation shall be imposed except after holding an enquiry in accordance with the procedure specified in these regulations.

**25. Manner of holding enquiry before suspension or cancellation.**—(1) For the purpose of holding an enquiry under regulation 24, the Authority may appoint an enquiry officer.

(2) The enquiry officer shall issue to the insurer a notice at the registered office or the principal place of business of the insurer.

(3) The insurer may, within thirty days from the date of receipt of such notice, furnish to the enquiry officer a reply, together with copies of documentary or other evidence relied on by it or sought by the Authority from the insurer.

(4) The enquiry officer shall give a reasonable opportunity of hearing to the insurer to enable it to make submissions in support of its reply made under sub-regulation (3).

(5) Before the enquiry officer, the insurer may either appear in person or through any person duly authorised by the insurer:

Provided that no advocate shall be permitted to represent the insurer at the enquiry:

Provided further that where an advocate has been appointed by the Authority as the presenting officer under sub-regulation (6), it shall be lawful for the insurer to present its case through an advocate.

(6) If it is considered necessary, the enquiry officer may ask the Authority to appoint a presenting officer to present its case.

(7) The enquiry officer shall, after taking into account all relevant facts and submissions made by the insurer, submit a report to the Authority and recommend the penalty to be awarded as also the justification of the penalty proposed.

**26. Show-cause notice and order.**—(1) On receipt of the report from the enquiry officer, the Authority shall consider the same and if considered necessary by it, issue a show-cause notice as to why a penalty as it considers appropriate should not be imposed.

(2) The insurer shall, within twenty-one days of the date of receipt of the show-cause notice, send a reply to the Authority.

(3) The Authority after considering the reply to the show-cause notice, if received, shall as soon as possible but not later than thirty days from the receipt of the reply, if any, pass such orders as it deems fit. If no reply is furnished to the Authority by the insurer within 90 days of the service of the notice, the Authority can proceed to decide the issue ex parte.

(4) An order passed under sub-regulation (3) shall give reasons therefor including justification of the penalty imposed by that order.

(5) The Authority shall send a copy of the order made under sub-regulation (3) to the insurer.

**27. Effect of suspension or cancellation of certificate.**—On and from the date of suspension or cancellation of the certificate, the insurer shall cease to transact new insurance business:

**28. Publication of order.**—The order of the Authority passed under sub-regulation (3) of regulation 26, shall be published in atleast two daily newspapers in the area where the insurer has his principal place of business.

## CHAPTER VII

## PROVISIONS APPLICABLE TO EXISTING INSURERS

- 29. Registration of existing insurers.**—(1) Every insurer carrying on insurance business in India before the commencement of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999) and requiring registration under the Act, shall make an application, in Form IRDA/R2 for grant of certificate of registration, within three months from the commencement of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999).
- (2) Every application shall be accompanied by—
- (a) original certificate of registration;
  - (b) a confirmation that the requirements of section 7 of the Act have been met;
  - (c) evidence of having rupees one hundred crore or more paidup share capital, in case the application for grant of certificate of registration is for life insurance business or general insurance business;
  - (d) evidence of having rupees two hundred crore or more paidup share capital, in case of an application for grant of certificate of registration for re-insurance business;
  - (e) an affidavit by the principal officer of the applicant certifying that the requirements of section 6 of the Act have been complied with;
  - (f) a certified copy of the standard forms of the insurer and statements of the assured rates, advantages, terms and conditions to be offered in connection with insurance policies together with a certificate in case of life insurance business by an actuary that such rates, advantages, terms and conditions are workable and sound;
  - (g) the original receipt showing payment of fee of rupees fifty thousand for each class of business;
  - (h) any other information required by the Authority during the processing of the application for registration.
- (3) The Authority shall register every applicant, who submits an application in accordance with sub-regulation (2), and grant a certificate in Form IRDA/R3.

**30. Transitory Provisions.**— Every existing insurer shall be required to comply with all the Regulations made by the Authority from the date of their notification:

Provided that the Regulations made by the Authority on the following subjects viz:-

- (i) Accounts;
- (ii) Assets, liabilities and solvency margin;
- (iii) Reinsurance;

may, at the choice of an existing insurer, be complied with within a period of twelve months from the commencement of those regulations:

Provided, however, the Authority may, on an application made to it by an existing insurer, for valid reasons, grant a further period of time to comply with the above regulations so, however, that the total time taken by an existing insurer to comply with regulations in the areas mentioned above does not extend beyond twenty-four months from the date(s) of commencement of those regulations.

Provided further that where an existing insurer does not conform to the regulations in the areas mentioned above within the time allowed to him under this regulation, the Authority shall proceed against him for failure to comply with its directions.

Notwithstanding the above, nothing prevents the Authority from seeking information from an existing insurer on the subjects mentioned in the first proviso to this regulation and issue directions to an insurer, wherever necessary.

## FORM IRDA/RI

## [REQUISITION FOR REGISTRATION APPLICATION]

[Please see regulation 5 of Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Regulations, 2000]

(This form is supplied free of cost to the applicants by the Insurance Regulatory and Development Authority. Please fill in the application carefully. Should you require any clarifications, please write to the Authority specifically mentioning your query or call on us personally subject to prior appointment)

1. Name of the applicant
  2. Address:
  3. Date of incorporation as a Company: [DD/MM/YYYY]
  4. Registration No. (issued by the Registrar of the Companies)
  5. State the classes of insurance business for which registration is sought:
  6. Amount of Authorised capital & Face value of shares and their numbers.
  7. Amount of Paid up Capital & Number of equity shares:
  8. Classification of Shares
  9. Voting Rights of each class of Shareholders
  10. Details of shareholders: [Please give full name, address, percentage of holding in the paid up capital of the insurer, Occupation, Qualifications and Experience, Number of shares held and Percentage of share capital in the company] Please attach separate sheets if necessary. Details of persons holding more than 1% of the issued capital of the applicant and promoters are to be given in separate statements.

Full Name [first, middle, surname]	Date of Birth	Address with Telephone No., Fax No., E-mail	Qualifica- tions	Experienc- e	Present occupatio- n	No. of equity (voting rights) shares and percentage of total holding	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Mr./Ms.							

Note: If the promoter is a company or a body corporate registered in India or in a foreign country, give the name of the company or body corporate in column (1), the country of incorporation and the date of registration in column (2), mention the areas of operation of the company in col.(5), leaving the columns 4 and 6 blank; particulars indicating the countries of operation, nature of

business enclosing statements of accounts of the company or body corporate for the last 5 years are to be given. If there are more than one promoter, the information may kindly be furnished in such a manner as to indicate clearly the inter-relationship, if any, of parties. If a promoter is a nominee of another, details of the principal in the above areas are to be given. Adequate care may be taken to furnish full and complete information truthfully. Any misrepresentation found later will lead to disqualification of the applicant, its promoters and others connected thereto.

If the total required Capital has not yet been issued, please provide information on the expected subscriptions to shares and whether the potential shareholders have given any commitment or assurance to subscribe to the capital.

**11. Applicant:** This section should set out the background information. Following information should be included:

- Particulars of the partners in the joint venture (e.g. company name, address, names of directors, etc.).
- Constitution of the promoter companies – details of shareholders holding in excess of 1% of the paid up capital.
- Nature of business, years in business of promoter companies.
- Past record of regulatory interventions/restrictive directions in respect of promoter companies.
- The applicant's reasons for entering the insurance market.
- Financial statements for the last five years. Strengths of the partners.
- Indication of the degree of commitment to the Indian market place displayed by the applicant.
- The Agreement among the shareholders promoting the company.
- The obligations undertaken by the foreign promoters.
- The obligations of the applicant company to the foreign promoters.
- Sources for meeting the initial and future capital needs.
- In cases of non-corporate promoters, information on the above lines, suitably modified, may be given.

**Promoters (Separate statements for Indian promoters and foreign promoters, if any, are to be given).**

**Details of promoters:** [Please give full name, address, percentage of holding in the paid up capital, Occupation, Qualifications and Experience, Number and Percentage of share capital in the company]

Full Name (first, middle, surname)	Date of Birth	Address with Telephone Nos., Fax Nos., Email	Qualifications	Experience	Present occupation	No. of equity (voting rights) shares and percentage of total holding	Remarks
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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Mr./Ms.							

If the promoter is a company or a body corporate registered in India or in a foreign country, give the name of the company or body corporate in column (1), furnish the date of registration in column (2), mention the areas of operation of the company in col. (5), leaving the columns 4 and 6 blank. The particulars of persons nominated by such promoter in the above *pro forma*; and particulars indicating the countries of operation, nature of business enclosing statements of accounts of the company or body corporate for the last 5 years should also be provided.

## 12. *The Applicant Company*

This section should provide the key aspects of the Company. This will cover the following:

- Name of the applicant Company.
- Date of Registration.[DD/MM/YYYY]  
(As per Companies Act, 1956)
- Registration Number:
- Registered Office Address:
- Head Office Address;
- Address for Communications (state the name of the Company Secretary, telephone numbers, fax numbers, mobile number, e-mail address and such other details:
- Key aspects of the promoters (e.g. respective shareholdings, roles and responsibilities, directorships, inter-relationships et.).
- Particulars of the Board of Directors:
- States of operation, Branch locations. (Proposed)
- Company's Mission Statement.
- Senior management (key persons) and allocation of responsibilities.(Proposed)
- Organizational structure. Reporting relationships.
- Allocation of responsibilities between the head office and the operational units.

[Enclose four certified copies of Memorandum and Articles of Association of the registered company]

### **13. Capital structure**

- Amount of Authorised capital & No. of Shares:
- Classification of Shares
- Amount of Issued Capital & No. of Shares:
- Amount of Paid up Capital & No. of Shares:
- Voting Rights attached to each class of Shares
- Nominal/Face value of Each Equity Share/ Other Share:

### **14. Directors and key persons:**

For each director and key Directors and key persons, furnish the particulars in the pro forma given below:-

- Name (and any previous names)
- Private and Business Address (including any other private addresses within the last 15 years), current Telephone, Fax and E-mail Addresses:
- Date and Place of Birth
- Nationality (and any previous Nationality)
- Passport / Identity Card  
--Number  
--Date and Place of Issue:  
--Date of expiry  
--Issuing Authority:
- Name and Address of Bank:  
--Account Numbers and Type of Account:  
--Details of any loans or guarantees issued to or on behalf of the company in which the Directors and key persons have a management or shareholding interest
- Family Status
- Details and Dates of Academic Qualification:
- Details and Dates of Professional Qualification:
- Description of the prospective position (including responsibilities) and proposed date of commencement:
- Working Experience:  
-Existing and Previous Employers (covering last 15 years)  
-Details of whether the Directors and key persons and / or their Employers have been formally supervised or regulated  
-Nature of Employer's Business  
-Designation: (including duties and responsibilities)  
-Date of Appointment  
-Date of Resignation/Departure  
-Details of Other Business interests in the last 15 years where the Directors and key persons have been a working shareholder, director or controller.
- Relationship with the Company or related Companies or other third parties:-  
-Details of shareholdings or voting powers in the company, or related Companies or third parties:  
-Details of any Business relationships with the company or related Companies or third parties:  
-Details of any Business relationships between the Directors' and key persons' former employers and the company or related Companies or third parties:
- Full details on the Directors' and key persons' reputation and character:-  
-whether the applicant has ever been declared bankrupt;  
-any convictions of any offence involving fraud or other dishonesty;  
-any disqualification of the Directors and key persons from acting as a director or in the management of any company or organisation;

-whether the Directors and key persons have ever been refused (or had revoked) a licence or authorisation to carry on any regulated financial business;

- Any censure or disciplinary action initiated by any government, regulatory or professional body;
- Any dismissals from office or employment, subject to disciplinary proceedings by the Directors' and key persons' employer or been refused entry to any profession or occupation;
- Any litigation with which the Directors and key persons have been involved over the last 5 years;
- Whether any governmental, regulatory or professional body has ever investigated any employer, company or organisation with which the Directors and key persons have been associated as a director, officer, manager or shareholder;
- Whether any company or organisation with which the Directors and key persons were associated as a director, officer, manager, shareholder or controller has ever been wound up, gone into receivership or ceased trading either whilst the Directors and key persons was associated with it or within one year after the Directors and key persons so ceased to be associated.

In the Remarks column, please mention whether any director is an agent, broker, intermediary, director or employee of any other insurance company (or reinsurer) in India or in any foreign country or director of any other company in India or in any foreign country.

For these purposes, "Key persons" will include the Chief Executive, Chief Marketing Officer, Appointed Actuary, Chief Investment Officer, Chief of Internal Audit and Chief Finance Officer.

#### 15. External Auditors:(Proposed)

Full Name [first,middle, surname]	Date of Birth	Address with Telephone Nos., Fax Nos., E-mail	Date of Appointment	Experience in auditing insurance companies	Period of appointment	No. of (voting shares and percentage of total holding in the applicant company)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

If auditors are a firm, state the name of the firm in Col (1), its date of registration in Col (2).

Note: In choosing external statutory auditors, the applicant may be guided by the Regulations for Preparation of Financial Statements and Auditors Report of Insurance Companies, more particularly those dealing with appointment of auditors.

#### 16. Business to be transacted:

Describe the insurance business to be transacted.

#### 17. Where in the country do you wish to carry on insurance business? (tick the boxes)

(a) Regions:  North     South     East     West     Central

(b) Metropolitan cities:  Mumbai  Chennai  Delhi  Calcutta

(c) Concentration:  Rural  Urban  Both Rural & Urban

18. Distribution Channels:  Direct  Tied Agents  Brokers/Intermediaries  
 Others

**19. Financial Projections (Both for Life and general insurance – depending on the class applied for registration)**

A description of the model used for financial projections should be provided, based on assumptions, for a period of 5 years, for each year from the start. These should set out the following:

- Size of sales force.
- Amount of sales.
- Size of sales support and administrative staff.
- Premium income.
- Investment income.
- Commissions and other sales related expenses.
- Expenses of administration.
- Income tax and other taxes.
- Statutory reserves.
- Required solvency margins.
- Profit and loss accounts and balance sheets.
- First year and renewal expense ratios.
- Capital needs.—Indian and Foreign
- Break-even periods and the Return on Capital.
- Shareholder dividends: Indian and Foreign.
- Policyholder surpluses and bonus declarations

This section should also discuss the manner in which the future capital needs will be met.

**20. Sensitivity Analysis (Life)**

The analysis set out in para 19 above will be based on a base scenario and a few alternate scenarios. Sensitivity analysis based on “Optimistic” and “Pessimistic” assumptions should also be included. These will relate to assumptions such as:

- Size of sales force.
- Volume of sales.
- Average size of sale.
- Levels of mortality/morbidity, policy terminations.
- Administrative expenses (including inflation).

- Future investment conditions.

A discussion on the manner in which the outcome of the pessimistic scenarios will be handled should be included.

### **21. Rural Business**

Legislation requires that a specified percentage of the new business should be undertaken in the rural or social sector. The manner in which this requirement will be fulfilled should be described. For the purpose of this section, please see the relevant regulations covering this area.

### **22. Obligations in unorganised sector and backward classes**

In addition, insurers shall discharge obligations in respect of unorganised sector to cover risks of economically vulnerable sections of the society and backward classes. For the purpose of this section, please see the relevant regulations covering this area.

The manner in which these requirements are proposed to be met should be described in detail.

**23. Particulars of Previous Application:** Has the applicant ever applied for license in India or outside India? If so, give particulars.

**24. Conclusion** In conclusion, the report should discuss the viability of the operations. Any special issues or concerns should also be indicated.

### **Certification**

I, the undersigned, solemnly declare that the facts given in this application form on behalf of the Applicant Company, are true and that the projections and estimations are based on reasonable assumptions.

Place

Date:

Signature of the Authorised person (with seal)

## FORM IRDA/R2

### ***APPLICATION FOR REGISTRATION***

[Please see regulation 10 of Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Regulations, 2000]

(This form is supplied free of cost to the applicants by the Insurance Regulatory and Development Authority. Please fill in the application carefully. Should you require any clarifications, please write to the Authority specifically mentioning your query or call on us personally subject to prior appointment)

**1. Geographic Spread:** Give the addresses of the administrative offices in each State and Union Territory in India, overseas, and also in Rural Areas with the name of person in charge of the office. [if the applicant has not decided, he might give the proposed number and locations of administrative offices in each State and Union Territory in India, overseas, and also in Rural Areas]

**2. Market Research and Analysis**

The company may have undertaken some form of market analysis to ascertain the market potential, consumer needs, target market, product potential, etc. (in particular health insurance segment). Full description of the research, along with the conclusions reached.

**3. Products to be Sold**

Based on the market research and analyses undertaken, the partners would have decided upon the products to be marketed -- individual or group insurance. The description should include the following:

- Description of the product features,
- The target markets where the products will be sold,
- Specification of the names of the products in life/general insurance, linked/non-linked, health insurance.

**4. Distribution**

This section should describe how the products will be or are proposed to be distributed. This should cover the following:

- The channels of distribution to be used, with an indication on the relative degrees of importance placed on each of the channels.
- The distribution network that will be set up in the market place.
- Any limitations on the products to be sold by any of the channels.
- Remuneration to be paid to each channel of distribution.

### *5. Sales Promotion*

The approach to be used for advertisement and sales promotion, e.g. the media to be used, frequency, etc. Copies of sales material, literature advertising the product, if any, should be provided.

### *6. Underwriting*

This section should describe the approach used for underwriting of proposals; the arrangements made for medical and other reports, etc.

Please also state the nature of support to be provided in underwriting and in training of underwriters by the foreign promoters.

### *7. Investments*

Each company will have established its investment philosophy that will be appropriate for the products it intends to market. This should be described. Other information should include the investment personnel, investment adviser (if outsourced), location of the investment operations, investment brokers to be used, etc. Regulations regarding Investment, Valuation, Exposure – Prudential – Provisioning Norms- Life & Non Life issued by the Authority may be taken into account.

### *8. Information Technology*

Insurance industry is very much dependent on computer technology. Full description should be provided for the following:

- The different areas where computer systems will be employed.
- Whether the systems will be bought off the shelf (with some customization), developed locally or imported into India by the foreign promoter (with some customization).
- The degree to which the systems will be used for policyholder servicing.
- The degree of interconnectivity of the systems.
- A description of how the I/T systems will be used to develop the required Management Information Systems.
- Extent of procedures and operations which will remain manual.

### *9. Customer Service*

Customer service could be provided either centrally through the head office or decentralized to the branch offices/operational units. The degree to which customer service is planned to be decentralized to the branch offices should be described. The service standards planned to be introduced for the various aspects of customer service should be described. Any plan to introduce “call-centres” or customized grievance settlement machinery may be indicated.

Mention the time schedule for various types of service offered by the Company.

### ***10. Retention Limits and Reinsurance***

The nature of reinsurance arrangements should be described fully, giving the following details:

- The name(s) of reinsurer(s).
- The basis of reinsurance.
- Terms of reinsurance.

The manner in which the retention limit(s) have been established should be discussed.

### ***11. Recruitment and Training***

Different areas of the company require personnel with different skill sets. These personnel will include agents, sales supervisors, branch managers, administrative staff for various departments, etc. Some of the departments will require special technical skills (e.g. underwriting, actuarial, accounting, sales, information technology, etc.). This section should set out the following information for each of the categories:

- Desirable skill sets.
- Sources for recruitment.
- Approach to be used for training—in house /outsource.

### ***12. Internal Controls***

The company will need to establish a set of procedures and norms for various activities. The manner in which these will be monitored should be described. These activities will relate to underwriting and policy issue, customer service, investments, accounting, new product pricing, computation of reserves and Required Solvency Margins, regulatory compliance, claim processing and settlement procedures, etc.

### ***13. Expenses of Administration***

Life:

In arriving at the premium rates, the Appointed Actuary will need to build the estimated expense levels into the premium calculations. The manner in which the expenses of administration have been estimated and converted into average factors should be described. These expenses will have to be distinguished between first year and renewal, fixed and variable. All overhead expenses will also have to be covered.

General:

The proposes expenses as a per cent. of premium at levels of operational offices and each level of supervisory offices and head office.

#### **14. New Product Pricing**

##### **Life:**

The financial projections will incorporate the sale of planned products. A description of these products to the extent possible should be provided. This should include the following:

- The product features, such as coverage periods, premium levels, non-forfeiture values, loan provisions, etc.
- Distribution channels to be used.
- Commission scales.
- Average policy size.
- Reserving method used.
- The levels of the various parameters built into the computations. These will relate to mortality, policy terminations, expenses, interest and any other parameters that may be relevant for the product. The values of these parameters will have to be specified at two levels - at the Expected level and at a level inclusive of the Margins for Adverse Deviations. The justifications for both levels should be provided.
- Profitability criteria used in product pricing.

##### **General:**

In respect of products not governed by market tariffs, please indicate how the products will be priced, the data base which will be used to determine premium bases and the terms and conditions, the statistical system which will be established to review adequacy of rates.

**15. Information Policy:** Mention the Company's policy regarding insurance awareness in the public.

**16. Premium Rates:** Enclose the Company's Premium Tables for the products along with rebates, if any, offered.

##### **Certification**

I, the undersigned, solemnly declare that the facts given in this application form on behalf of the Applicant Company, are true and that the projections and estimations are based on reasonable assumptions.

Place

Date:

Signature of the Authorised Person (with Seal)

## FORM IRDA/R3

## INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY

(Seal of the Authority)

**CERTIFICATE OF REGISTRATION**

Registration Number. \_\_\_\_\_

This is to certify that (Name of Insurer and his address)

has this day been registered in accordance with the provisions of sub-section (2A) of section 3 of the Insurance Act, 1938 (IV of 1938) to transact the classes of business specified in the Schedule below.

Given under the seal of the Authority at New Delhi

this \_\_\_\_\_ day of \_\_\_\_\_  
two thousand and \_\_\_\_\_

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY

## Schedule

Classes of business which may be transacted:—

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

**FORM IRDA/R4****ISSUE OF DUPLICATE CERTIFICATE OF REGISTRATION.**

An insurer shall apply in the following format with the documents specified herein:

To  
Insurance Regulatory and Development Authority.  
New Delhi

Application for issue of duplicate certificate of registration.

We request you to issue a duplicate certificate of registration for which we give below the following details:

1. Name of Insurer;
2. Registration Number;
1. Date of Certificate of Registration;
2. How original certificate has been lost, destroyed or mutilated?
  
3. Particulars of remittance of fee.

Place

Yours truly,

Date:

Signature of the principal officer.  
(Name of the principal Officer)  
(Seal)

Notes: 1. Enclose the original copy of the resolution of the board for the issue of duplicate certificate, in duplicate.

2. Enclose a DD for Rupees five thousand drawn in favour of Insurance Regulatory and Development Authority payable at the place of head office of the Authority.

## FORM IRDA/R5

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY

*CERTIFICATE OF RENEWAL OF REGISTRATION*

Registration Number:

Date of Renewal of Registration:

The certificate of registration of

(Name of Insurer)

Is hereby renewed under section 3A of the Insurance  
Act, 1938, for the year toIssued at New Delhi on day of 2000.

(Seal of the Authority.)

(Authorised Signatory)

N. RANGACHARY, Chairperson

[No. ADVT.-3/4/Exly/161/2000]