

# THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY (REGISTRATION OF INDIAN INSURANCE COMPANIES) REGULATIONS, 2000<sup>1</sup>

*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 1

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

(2) They shall come into force on the date<sup>2</sup> 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;
- <sup>3</sup>[(g) "Indian promoter" means and includes—

1. *Vide* Notification No. IRDA/Reg./7/2000, dated 14th July, 2000, published in the Gazette of India, Extra., Pt. III, Sec. 4, dated 19th July, 2000.

2. Came into force on 19-7-2000.

3. Subs. by Notification No. F. No. IRDA/Reg./3/61/2013, dated 7th February, 2013, for clause (g) (w.e.f. 13-2-2013). Clause (g), before substitution, stood as under:

'(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 sub-section (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;'

- (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 sub-section (4A) of section 2 of the Act but does not include a foreign bank or branch thereof functioning in India;
- <sup>1</sup>[(iii) a Core Investment Company (CIC) as defined under Core Investment Companies (Reserve Bank) Directions, 2011 as amended from time to time.]
- (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;
- (vi) a limited liability partnership formed under the Limited Liability Partnership, Act, 2008 (6 of 2009) with no partner being a non-resident entity/person resident outside India as defined in clause (w) of section 2 of the Foreign Exchange Management Act, 1999 (42 of 1999) FEMA; and not being a foreign limited liability partnership registered thereunder;]
- <sup>2</sup>[(h) "infrastructure facility", means "Harmonised Master list of Infrastructure sub-sectors" as mentioned in Gazette Notification dated 27th March, 2012 issued by Department of Economic Affairs (Infrastructure Section), Ministry of Finance on "Harmonised Master list of Infrastructure sub-sectors" and amended by Department of Economic Affairs from time to time by way of new notification.]

1. Ins. by Notification F. No. IRDA/Reg/6/89/2014, dated 24th April, 2014.
2. Subs. by Notification No. IRDA/Reg./2/58/2012, dated 16th October, 2012, for clause (h). Earlier clause (h) was amended by Notification No. F. No. IRDA/Reg./3/44/2008, dated 11th February, 2008 (w.e.f. 13-2-2008). Clause (h), before substitution, stood as under:

'(h) "infrastructure facility" means—

- (i) a road, including toll road, a bridge or a rail system;
- (ii) a highway project including other activities being an integral part of the highway project;
- (iii) a port, airport, inland waterway or inland port;
- (iv) a water supply project, irrigation project, water treatment system, sanitation and sewerage system or solid waste management system;
- (v) telecommunication services whether basic or cellular, including radio paging, domestic satellite service (i.e., a satellite owned and operated by an Indian company for providing telecommunication service), network of trunking broadband network and internet services;
- (vi) an industrial park or special economic zone;
- (vii) generation or generation and distribution of power;
- (viii) transmission or distribution of power by laying a network of new transmission or distribution lines;
- (ix) construction relating to projects involving agro-processing and supply of inputs to agriculture;
- (x) construction for preservation and storage of processed agro-products, perishable goods such as fruits, vegetables and flowers including testing facilities for quality;
- (xi) construction of educational institutions and hospitals;
- (xii) any other public facility of 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 reinsurance 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 paid up 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 per cent.;
  - (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

1. Subs. by Notification F. No. IRDA/Reg./3/61/2013, dated 7th February, 2013, for Regulation 11 (w.e.f. 13-2-2013). Regulation 11, before substitution, stood as under:

*"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—

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
- <sup>1</sup>[(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) or sub-clause (iia) or sub-clause (vi) 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 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:

<sup>2</sup>[Provided further that the clause (ii) shall not be applicable to any Indian promoter or Indian investor of a listed Indian insurance company where such Indian promoter and/or Indian investor are regulated by Reserve Bank of India, Securities and Exchange Board of India and/or National Housing Bank.]

(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.

*Contd. from previous page*

- (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) 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."

1. Subs. by Notification F. No. IRDA/Reg/6/89/2014, dated 24th April, 2014, for regulation 11(1)(iii). Regulation 11(1)(iii), before substitution, stood as under:

"(iii) the quantum represented by that proportion of the paid up equity share capital to the total issued equity capital of an Indian promoter mentioned in sub-clause (i) or sub-clause (vi) 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."

2. Ins. by Notification F. No. IRDAI/Reg/20/132/2016, dated 25th July, 2016 (w.e.f. 1-8-2016).



(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 year 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 and 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 had 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.**—<sup>1</sup>[(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 in Form IRDA/R6 to the Authority before the 31st day of December each year, and such application shall be accompanied by evidence of the payment of the fee which shall be higher of,—]

- (a) fifty thousand rupees for each class of insurance business, and
- (b) <sup>2</sup>[one-twentieth] 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 crore, whichever is less; (and in the case of an insurer carrying on solely reinsurance 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).

1. Subs. by Notification No. IRDA/Reg./26/2003, dated 26th February, 2003 (w.e.f. 7-3-2003).

2. Subs. by Notification No. F. No. IRDA/Reg./2/85, 2014, dated 22nd January, 2014, for "One-tenth" (w.e.f. 28-1-2014). Earlier the words "one-tenth" were substituted by Notification No. IRDA/Reg./26/2003, dated 26th February, 2003 (w.r.e.f. 1-4-2001).

(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 the 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 policy-holders;
- (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 at least two daily newspapers in the area where the insurer has his principal place of business.

## CHAPTER VI

### 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 paid up 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 paid-up share capital, in case of an application for grant of certificate of registration for reinsurance 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.

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**For FORMS**

Please visit IRDA website ([www.irda.gov.in](http://www.irda.gov.in))

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