

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA(PLACES OF BUSINESS) REGULATIONS, 2015

IFo-33004/99 REGD. NO. D. L.-33004/99 Che Gazette of Sftidia 2531 No. 2531 EXTRAORDINARY PART III—section 4 PUBLISHED BY AUTHORITY 21, 2015/3nq 30, 1937 NEW DELHI, TUESDAY, JULY 21, 2015/ASADHA 30, 1937 taqarz, 15 2015 2015 1. 2. æi. 1938 114RT (2) 1956 18(4) 1938 64 (i) (EZINR 2015 3<31TÜrv nazvr, 2013 F) 3ftazrF, 1938 (1938 4) t; (Ü) 1999 3 3g- 3158 GI/2015 (l) 3 u. (ii) 3?rt 312Br 7(i) Qtat crt 3q-ærrv a-gT 16 u. zzzr (8) (9) (11) 7(i) «rq 3q«r-1 - 1 aq 3qqrat 7(i) 7(ii) 7(i) a. 10 t, F2TFT, 0, eHrzt (t\$-3Ä) 3ft, 3Rar 7 (30) v. T. s. 3NHT æi•arr 31TT3 i) ii) iii) iv) v) 4*zâ - 500 - 250 - 750 z-aT(T t, avi f?ua qft-q-ra•aSr 3TVTTl (7T\$-gër &FS) t, atra 5 3 01 3Bfh (31) OTT: a) wq•æ€3fifrZrR, 1999 .4fd .t\$< 10 (33) (24) THE GAZEITE OF INDIA : EXTRAORDINARY [PART III—SEC. 4] iii gdÜ-wr, Giff@7T), Bar-UT, q-t t a24T Zi. a-r-d, t, za.ræ:iQfifita 3iz-tl 3TftTZff (Gt.trv) 3ft Fl. 31frTZâ, yam, 3ft 7ÄT G, t, (35) 3N*r 3T2.BT 3N#r m-rzi-a-a a-asra (36) (i) 11 (ii) t, zrr 3--ræq 3Ba-•TT3â Qfif-ra--TFdT 3V&T (37)(i) 3-fr 3R.r«r etra--Tvr tl f?zra 312Br (g@æ) (38) af 30 tr (i) 37+7 sft \$ erryr # 9t sft # 15 (39) t-#r (40) 3-tr q-zft7T fâkT 3--Ytzra-T öTTtT 3Ta@r - 1 - 1/tFTâ 2 a•ztT OTT, 12 1. (iii) (iv) THE GAZETTE OF INDIA : EXTRAORDINARY 3fr-aTâ (ii) 1/11/111/1V/V/Vl [PART III —SEC. 41 (i) Ezra (afra (ii) fav (atra 3(7T) 3TFzr (ii) 4. ii. iii. w. v. vi. vii. viii. ix. GITQZIT? atr t -RR 13 x. (ftrZr 6/76) g. g. 3. Ä&QT fâ7T æivzrr 31rq 6. 2. 3 3%trT7 (#Tt3fr) # t 10 t 1 9,99,999 10,000 99,999 14 THE GAZETTE OF INDIA : EXTRAORDINARY [PART III—SEC. 4] tat-3 3@tr (37 77TX, (Otr) ii. iii. v. vii. ii. iii. iv. qaT 3 ii. 2 iii.qa•r 3 iv. v. vi. vii. (tZR) 1/11/111/1vNN1 atra 15 i. æTFzrtrZr/qr6tT/31â-QTVtr ii. (trZr) 1/11/111/!v/v/vl iii. iv. (af) 11. Karr dTtru. (#r\$3â) (312RT) (tra*3â t 2 16 iii. 3.3N THE GAZETTE OF INDIA : EXTRAORDINARY ii. 2 iii.ga•r 3 vi. vii. I VI) afra [PART III—SEC. 4] iii. afra iv. f (a *r artra• 7Ttra: (3T<T) (3Tfi<Tt) 17 ii. iii. v. vii. iii. v. qaT 2 (tat) 1/11/111/1V/V/Vl (tr\$3fr)EcZr 3&Ttr - gtF•qt-1 uwr, 1 2 3 19 1 2 3 4 5 1. 2. 3. 4. 1. 3iaffzrF (*a-öT grq i) t•zr t; ii) #T.3 frf& iii) ETraT t, 3?rv erat 3&Ttr 3-T2.Br 500 004 trat aur {III 6. 7. 8. 2. 3. 4. 5

6. III—ÜC 4] (ix) 3iRfRâ (xii)g21R 3tR (xiii) (xiv) Fff•iQT : (Wi) 3T&fFl 31TVTT "3TRrßTtr• (ii) (iii) (vii)3-« (viii) 89, t, OfR 37 trââa*r 38 21 22 q. 1. 2. 3. 4. 5. 6. 1. 2. 3. 4. 5

6. THE GAZEITE OF INDIA : EXTRAORDINARY arf*rzâ 3?rr qat *r Srzfiazr EzraærrZr FëZr qaT *Tt8rZr qaT 3tR â) 3?rt â 3æ-ar [PART III—SEC. 4] ii) €. q(4) cüâ; iii) t (3iRâ« 3&-rtr 23 3&1tr INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA NOTIFICATION Hyderabad, the 1 5th July, 2015 Insurance Regulatory and Development Authority of India (Places of Business) Regulations, 2015 F. No. IRDAI/Reg/9/99/2015.—In exercise of the powers conferred by Section 64VC read with Section 114A (2) (zac) of the Insurance Act, 1938 and Section 18(4) of Life Insurance Corporation Act, 1956 as amended from time to time, the Authority in consultation with the Insurance Advisory Committee, hereby makes the following regulations, namely:- 1

2. Short title and commencement: (i) These regulations shall be called the Insurance Regulatory and Development Authority of India (Places of Business) Regulations, 2015.(ii) They shall come into force on the date of their publication in the Official Gazette and supersede IRDA (Places of Business) Regulations, 2013 from such date. Definitions — (i) Unless the context otherwise requires, — (a) "Act" means the Insurance Act, 1938 (4 of 1938) (b) "Authority" means the Insurance Regulatory and Development Authority of India established under sub- section (I) of Section 3 of Insurance Regulatory and Development Authority Act, 1999; (c) "Place of Business" means, a regional office, a zonal office, a divisional office, branch office or any subordinate office or any other office by whatever name called set up within India or a 'representative or a liaison office of Indian Insurers' or a 'Foreign Branch Office of Indian Insurer' set up outside India by the Insurers registered in India; (d) A "Representative or a Liaison Office" would mean a place of business of Indian Insurers outside India to act as a channel of communication with the Principal place of business or Head Office by whatever name called and entities in India but which does not undertake any commercial or trading or industrial activity, directly or indirectly, and maintains itself out of inward remittances received from abroad through normal banking channel. (e) "Foreign Branch Office" shall mean a 'branch office' of the Indian Insurers set up outside India which means (a) any establishment described as a branch by the company; or (b) any establishment carrying on either the same or substantially the same activity as that carried on by the Head Office of the

company. (t) "Return" means the returns specified under these regulations; (ii) Words and expressions used and not defined in these regulations but defined in the Insurance Act, 1938 (4 of 1938), or the Life Insurance Corporation Act, 1956 (31 of 1956) or the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972), or Insurance Regulatory and Development Authority Act, 1999 shall have the meanings respectively assigned to them in those Acts or the rules and regulations made there under, as the case may be.

24 THE GAZETTE OF INDIA : EXTRAORDINARY [PART III—SEC. 4] (3) Subject to these Regulations, every Insurer shall take the prior approval of the Authority before opening any place of business, be it inside India or outside India. EXPLANATION: These Regulations are not applicable to a branch established in India by a foreign company for doing reinsurance business as defined in Section 2 (9) (d) of the Act.

SECTION - I NORMS FOR PLACES OF BUSINESS WITHIN INDIA

OPENING OF PLACES OF BUSINESS WITHIN INDIA (4) All the Insurers shall have in place the Board approved Annual Business Plan for every Financial Year. The Annual Business Plan, in addition to the business plans of the Insurer, shall contain the total number of new places of business proposed to be opened within India not only in the urban centers but also in semi-urban and rural centers. (5) The Annual Business Plan shall specifically contain the names of places of business proposed to be opened within India, other than those places of business referred at Regulation 7 (ii), during the ensuing Financial Year for which an approval of the Authority is required in accordance with these Regulations. (6) Every insurer shall submit their respective Board approved Annual Business Plan for the Financial Year April — March before the end of its first Quarter, that is, by June of the same financial year to the Authority. (7) (i) While considering applications for approving the new places of business proposed to be opened within India in accordance with these Regulations, the Authority considers according aggregate approvals on an annual basis, through a consultative and interactive process. a. The Authority after considering the places of Business specified in the Annual Business Plan may grant or deny approval for opening a place of business. b. In the event of denial of approval by the Authority for opening any new places of business, the insurer may seek a review of the decision after three months bringing in valid reasons for reconsideration of the same. c. Insurers are also permitted to file the Board approved incremental or modified Business Plans during the course of Financial Year for incorporating new places of business or for modifying the places of business proposed in the Annual Business Plan. ii. Notwithstanding anything contained in Regulation 7(i), all the Insurers that fulfill the following conditions are permitted to open places of business within India without prior approval of the Authority, in the centers or places or locations where the population is less than one lakh as per the latest decennial census classification available and inform the Authority in accordance with Regulation 16 of these Regulations. a. Minimum Solvency Ratio is as prescribed by the Authority in the preceding Financial Year. b. Expenses of Management are within the norms prescribed by the Authority in the preceding Financial Year. (8) Proposals for opening places of business referred at Regulation 7 (i) shall be submitted in Form — PB I of Schedule -1 of these regulations along with the copy of Board approved Annual Business Plan or Modified Annual Business Plan. Statement of Solvency Ratios and details of Expenses of Management for the preceding three Financial Years shall be also furnished. (9) While submitting the proposals for opening new places of business referred at Regulation 7 (i) and while opening places of business referred at Regulation 7 (ii), all the insurers shall keep in view the long-term nature of insurance business that warrants the continuous presence in the new places of business throughout and shall avoid opening new places of business for shorter durations. (10) (11) New places of business proposed at Regulation 7 (i) and approved by the Authority shall be opened within a period of one year from the date of approval of the Authority. a. After the expiry of the time limit, the approval of the Authority stands lapsed. b. Insurers may incorporate those places of business that could not be opened within the stipulated time prescribed at Regulation 10 in subsequent Annual Business Plans. All places of business, not being specialized places where back-end operations are proposed with no customer interface, such as Zonal Offices, Regional Offices or Back-Up Centers etc. opened shall at minimum offer policy holders' services such as collection of premiums, proposal deposits or attending policy service requests.

25 CLOSURE OR RELOCATION OF PLACES OF BUSINESS WITHIN-INDIA (i) Closure or relocation of the places of business within India by the Insurers shall be after due consideration (12) of all the factors, including the possible inconvenience to its policyholders. All the Insurers shall comply with the following while closing or relocating the places of business. a. b. c. d. Closure of any place of business or relocation of any place of business, shall be

approved in advance either by the respective Boards of Insurers or by the Board appointed Policyholders' Protection Committee if the Board of the insurer allows such delegation. Where the approval referred herein is delegated by the Board to the Board appointed subordinate committee, the minutes of the meetings of the subordinate committee shall be placed before the Board in the immediate next meeting. Relocation or change of any place of business, otherwise than within the same city, town or village shall be subject to the prior approval of the Authority and every Insurer shall submit the proposal of such relocation or change to the Authority's consideration in Form PB — 3 as and when required. Minimum of two months advance notice on all the proposed relocations or the closures, whether within the same city, town or village or otherwise, shall be given to the policyholders serviced that place of business along with the information on alternate arrangements being made to provide services to them. The Authority shall be notified two months in advance about the proposal of the closure of place of business. (ii) The conditions on Closure of places of business and relocation of places of business stipulated at Regulation 12 (i) (a) and (c) are also applicable to the places of business opened by the insurers in accordance to Regulation 7 (ii). (iii) Where it has come to the notice of the Authority that the decision to open or close or relocate, or the action of opening or closure or relocation; of a place of business is not in accordance, with these regulations, the Authority may direct the Insurer to take such action or the Authority may take such action as deemed fit taking into consideration the circumstances of the case.

RETURNS TO BE FURNISHED TO THE AUTHORITY (13) (14) (15) (16) (17) (18) (19) Closure of all places of business shall be reported to the Authority as a Return in Form — PB 4 of Schedule— I of these Regulations, within 15 days of the following month of such closure. The details of all the relocations (i.e. new address, date of shifting etc.) of places of business shall be reported to the Authority as a Return in Form — PB 5 of Schedule — I of these Regulations, within 15 days of the following month of such relocation. A consolidated annual statistics shall be filed as a Return in Form — PB 2 referred at Schedule — I of these Regulations, within 30 days of the closure of every Financial Year. Insurers shall submit to the Authority the information on the places of business opened within India along with date of opening of the new place of business as a return in Form — PB 2 within 15 days of the following month in which a place of business is opened. The Authority may call for any further Statistics and Data related to these Regulations in the manner and format as may be prescribed under these regulations from time to time.

SECTION - 11 NORMS FOR PLACES OF BUSINESS OUTSIDE INDIA An Insurer registered with Insurance Regulatory and Development Authority of India may open a 'Foreign Branch Office ' or a 'Representative or a Liaison Office' outside India subject to prior approval granted by the Authority. Opening of 'a Representative or a Liaison Office' or a 'Foreign Branch Office' by Insurer shall be subject to obtaining the approval or an in-principle clearance from the regulator of the host country where such office is proposed to be opened.

NORMS FOR OPENING A LIAISON OFFICE OR A REPRESENTATIVE OFFICE (20) Insurers meeting the following norms, desirous of opening a representative or a liaison office outside India shall apply to the Authority in Form FPB - I of Schedule - I. Insurer shall maintain the solvency norms prescribed by the Authority in the preceding Financial Year. a) 26 b) **THE GAZETTE OF INDIA : EXTRAORDINARY [PART III—SEC. 4]** Insurer shall have a satisfactory track record on market conduct, regulatory compliances, redress of complaints, etc. and that there are no serious adverse observations on the functioning of the company in the records of the Authority.

ACTIVITIES ALLOWED BY A REPRESENTATIVE OR A LIAISON OFFICE (21) (22) (23) (24) (25) The representative or a liaison office opened outside India is permitted to carry out the following activities. Through the representative or liaison office, the Insurers can undertake development and a. promotional activities such as gathering financial, economic and Commercial information, educating prospects about advantages of insurance, carrying out promotional activities and promoting company's products amongst the people, customer service activities, identifying prospects living in the host country, acting as a channel of communication with the Corporate Office situated in India, conducting seminars, educating prospects of the various insurance avenues, etc. b. The permission to continue the functioning of the representative or liaison office by the insurers registered with Authority shall be subject to the terms and conditions as may be stipulated by the Authority from time to time. c. d. e. g. j. Liaison with foreign Doctors, re-insurers, for ceding/acceptance of reinsurances. Activities that support formalizing treaties. Liaison with Surveyors/ Risk assessors. Activities that support processing of claims pertaining to risks in a foreign country. Sharing of expertise with respect to the underwriting practices and knowledge. Sharing Of business information

re-aided in insurance market. Conduct of research or related activity. Other activities incidental to the above. (to be specified in FPB — I) The Insurers can arrange to identify the prospects amongst non-resident Indians through the representative or liaison offices but, the acceptance of the proposal and underwriting of risks shall be done only in India. Consequently the policies to be issued shall be designated only in Indian rupees. The Insurer shall continue to comply with the Foreign Exchange Management Act, 1999 and any other law in force governing the operations of such offices. The representative or liaison office should not contract any liability outside India. No agent would be permitted to be engaged by the Representative or Liaison Office and therefore no commission in whatever form shall be paid. REPORTS TO BE FURNISHED TO THE AUTHORITY BY THE REPRESENTATIVE OFFICE OR A LIAISON OFFICE (26) (27) The Insurers shall furnish information to the Authority on the business mobilized through the representative or a liaison office, expenditure incurred, details of complaints received and redressed. The reports shall be submitted on an annual basis within a period of 60 days from the end of every Financial Year. At the close of financial year, an Annual Report giving full details of the activities undertaken, expenditure incurred, etc. should be submitted to the Authority by the Insurer within a period of 60 days from the end of every Financial Year. The Annual Report should also furnish the statement of the expenditure incurred at the Representative Office or Liaison Office outside India together with the Indian operation and specify whether or not the expenses of management are well within the extant limits specified by the Authority. NORMS FOR OPENING A FOREIGN BRANCH OFFICE (28) (29) The Insurer desiring to open a foreign branch office to carry on life insurance or general insurance or health insurance or reinsurance business shall make an application to the Authority in Form FPB — 2 of Scheduled — I along with the following information: i) The regulatory architecture along-with the reporting, compliance and other requirements necessary for the establishment and conduct of insurance business of the jurisdiction where a foreign branch office is proposed to be set up. ii) The expenses involved in establishing such a foreign branch office and the financial burden it will cast on the Insurer. The Insurer registered with the Authority may be permitted to open a Foreign Branch Office outside India to carry on the following classes of insurance business: 27 a. b. c. d. Life insurance business General insurance business Health insurance business Reinsurance business Provided the Insurer shall seek approval of the Authority to open a Foreign Branch Office outside India for which the Insurer has been granted the certificate of registration by the Authority. ELIGIBILITY CRITERIA OF INSURERS FOR OPENING A FOREIGN BRANCH OFFICE (30) The Insurers registered with the Authority seeking to set-up foreign branch office outside India shall comply with the following norms: a. b. c. d. e. The Insurer should have been in operations for at least 3 years. The number of years of operations shall be reckoned from the date of issuance of R3. The Insurers should have the following financials in the preceding financial year: i) ii) iii) iv) v) Net worth for Life Insurance Companies Net worth for General Insurance Companies and Health Insurance Companies Net worth for Reinsurance Companies Solvency for life insurance, General insurance, Health insurance and reinsurance companies Profit for life insurance, General Insurance, Health Insurance and reinsurance companies - Rs.500 Crores. - Rs.250 Crores. - Rs.750 Crores. - As prescribed by the Authority - For 3 years out of the last 5 years Where the Insurer is closely held, the Board Resolution in support of the commitment to support the operations of the foreign branch office shall be furnished. Where the same is widely held, a resolution of the shareholders to support the operations of the foreign branch office shall be furnished. The registered Insurer should not suffer from any adverse report of the Authority on its track record of regulatory compliances, for 3 years out of the preceding 5 years from the date of application. Any other requirement that may be sought by the Authority based on the application submitted by the Insurer. TERMS AND CONDITIONS GOVERNING THE APPROVAL OF THE FOREIGN BRANCH OFFICE (31) a) b) c) d) e) f) g) The approval to open a foreign branch office of the Insurers shall be subject to the following terms and conditions: Initial and further augmentation of capital and liabilities of the Foreign Branch Office shall be met out of the Insurer's Shareholders' funds beyond solvency margin requirement. Compliance with Foreign Exchange Management Act, 1999 and any other law in force governing the operations of such offices outside India. Compliance with host country's solvency requirements. The Insurer shall file a copy of the license or the certificate of registration upon receipt of the same from the host country. The Insurer shall immediately report to the Authority any regulatory or supervisory action taken by the host country regulator with full details along with the penalties imposed and other administrative actions, if any, and the remedial steps

taken thereafter. Any adverse report or findings shall be communicated to the Authority as soon as it is observed. The Authority may impose any other terms and conditions while granting the approval for opening the foreign branch office outside India.

3/ssuz/L 28 THE GAZETTE OF INDIA : EXTRAORDINARY [PART III—SEC. 41 OPERATIONAL REQUIREMENTS FOR FOREIGN BRANCH OFFICE (32) The Board of the Insurer shall approve, inter alia, the following operational matters for establishment and conducting business of the foreign branch office in the host country:-

of underwriting authority: Insurers at the beginning of every financial year shall review the underwriting limits delegated to each foreign branch office opened outside India and depending upon the financial net-worth, exposures, business plan, etc have the limits approved by the Board of Directors and filed with the Authority within a period of 60 days from the end of preceding Financial Year.

•on'aerwriting Issues: a. Insurers are advised to formulate an 'Underwriting Policy' specially formulated for each of their foreign b. branch offices duly approved by the Board of Directors. InsurerS should also consider formulating country specific policies, which need to be approved by their Board. The Insurers shall ensure that the design and rating of products is on sound and prudent underwriting basis. The contingencies insured under the product should be clear and provide transparent cover »hichis of value to the insured. Comprehensive 'Underwriting Manual' to be followed by the foreign branches in respect to different aspects of its underwriting portfolio, should be prescribed by the Insurer. The Insurer shall have in place the procedures to oversee that the foreign branch office complies with the observance of the manual at all leëels. The Insurers should have a mechanism to review the delegated powers of functionaries at the foreign branch offices as regards adequacy of such powers to meet market opportunities and timely business response needs.

Ozon. _ iv. Investment Management: a. The Insurers should formulate an "Investment Policy" suit the scale, nature and area of operations of the foreign branch offices apart from business considerations and submit the same before its Board of Directors for its approval. In framing such a policy, the issues relating to compliance with •host regulator's requirements, liquidity, prudential norms, exposure limits, stop loss limits in securities trading, management of all investment & market risks, management liabilities mismatch, investment audits and investment statistics, etc. shall be addressed.

Risk Management: 'a. ' The Insurers should be compliant to risk inanagement norms to meet the regulatory requirements of the host Supervisorregulator. Reinsurance: a.. The Insurers shall place before the Board of Directors details of reinsurance arrangements proposed for the'foreign branch offices to take care of ihëexøOsures that arise ori account of the tinder-writing frisks taken in those countries. This should cover details of structure of reinsurance programme covering both proportional and non-proportional arrangements, net retentions, obligatory sessions; "if any, classes covered by reinsurance arrangements, extgnt of catastrophe covers, security of rginsbers, placement of reinsurance cessions, reinsurancg recoveries, outstanding loss provisions, etc, e si a d ont 01 he ns r: a. The Insurer should •review and revise all controls sandireturns:including thesystem of periodical reviews submitted by the foreign branch pffgces their Head Office or Corporate Office, as the case may be, to ensure effective supervision and to monitor their continued viability: Thé findings of the inspection or audit or scrutiny and compliance reports submitted by the foreign branch offices should be placed beforetheAuditCommittee of the Board of the Insurer at halfyearly intervals. b. The Insurer should also have in place the systems and checks to ensure that delegated Öowers are exercisedprudgntly and judiciously bMhe authorised, fallout,on the C. The Insurer should also review the delegated powers of fuhctiOnaries attthé foreign branch Offices as regards adequacy of such POWers to meet local pbl icyholder's expectations.

Vii,ß0 :Actuarial Issues:- a. The Insurer may utilize the services of its Appointed Actuary for overseeing •the' Valuation of liabilities, investment performance, solvency margin ratio, design and pricing of insurance products, creation of reserves for outstanding claims and any other matter which the Board of Directors deem fit.

29 viii. Claims Settlement Issues: a. (33) (34) The Insurer should have a comprehensive "Claims Manual" which prescribes the manner in which the claims in respect of its foreign branch office shall be processed, documentaoon, delegation. of authority, policyholders servicing, grievance redressal, etc. The Board of Directors of Insurer is responsible for monitoring the functioning of the operations, financial statements and business performance of the foreign branch office at regular intervals and shall immediately report to the Authority any events or developments which can impair the functioning of the foreign branch office.

REPORTING REOUIREMENTS TO THE AUTHORITY The Insurer shall file the following reports of the foreign branches to the Authority:- Financial reporting a. b. c. Audited Annual Report giving full

details of activities undertaken including premium underwritten, claims incurred, expenses of management, commission, investment income, —profits, technical reserves, outstanding recoveries, etc in the form specified in Authority's concerned accounting regulations as modified from time to time within the time lines specified therein. Investment of funds, returns on investment, NPAs, etc in the formats specified by the Authority's concerned investment regulations as modified from time to time within the time lines specified therein. Report of the Appointed Actuary on the valuation of assets, liabilities and solvency margin of the foreign branch office. ii. iii. Business Reporting a. On quarterly basis, the Insurer shall report the business mobilized through the branch office, expenses ,incurred, claims performances ageing offblaims; details of. complaints received and redressed, service standards, distribution channels utilized, etc, in the formats specified by the Authority, b. Reinsurance arrangements a. The Insurer shall immediately report tothe Authority any regulatory or supervisory action taken by the host country regulator with full details and the penalty, any adminisvative action, if any imposed and the remedial steps taken. b. The Authority may call for any other return on the foreign branch office operations as deemed necessary. (35) The Insurer shall immediately inform the Authority any adverse findings on the foreign branch office operations that are to its notice during the course of its monitoring or during the course of the review of the reports referred under these Regulations. SOURCES OF MEETING THE CAPITAL REQUIREMENTS OF THE FOREIGN BRANCH OFFICE SET VP BY INDIAN INSURERS (36) (i) The Insurer shall have in place appropriate arrangements to ensure that the policyholder's liabilities that arise out of foreign operations are adequately ring-fenced in order to protect the Indian policyholder. (ii) Wherever the Insurer's foreign branch office operations result or likely resultS into a loss, then additional capital requirements for meeting the losses or for meeting the capital or othek regulatory requirements; shall be contributed out of the Shareholders' funds beyond solvency margin requirementvof• the: Insurer and no contributions from the policyholders' funds shall be utilized to meet requirement of the, foreign branch office. FURTHER POWERS OF THE AUTHORITY (37) (i) The Authority reserves the right to call, inspect or investigate any document, record or communication pertaining to the foreign branch office set up by the Insurer. The Insurer shall: furnish •such requirements within the timelines specified therein. (ii) Notwithstanding the above, where the Authority is of the opinion that the Operations. Of a foreign branch office are not in the interests of the Insurer, the Authority reserves the right to direct .the Insurer to close the said foreign operations or to completely divest its stake in the said foreign branch office after giving an adequate opportunity of being heard to the Insurer. 30 THE GAZETTE OF INDIA : EXTRAORDINARY [PART III—SEC. 4] RETURNS TO BE FURNISHED TO THE AUTHOR!TY (38) The capital infused into the foreign Branch Office of the Insurer as at the end of the preceding Financial Year and the projected capital infusions for the folloying Financial Year shall be reported to the Authority in the first quarter of every financial year that is before June of the Financial Year. (i) Notwithstanding the above provisions, the capital infused into the foreign branch Qffice set up outside India at any time and the funds of any nature transferred into the operations of the foreign branch Qffice set up outside India for any purposes at any time shall be reported to the Authority within 15days of such transfer. (39) The Authority may also reserve the right to consider prescribing in future such other returns on the foreign branch office's operations that may be filed by the Insurer with the Authority within such time lines as may be specified therein. POWER TO ISSUE CLARIFICATIONS In order to remove difficulties in respect of the application or interpretation of any of the provisions of these (40) regulations, the Chairperson of the Authority may issue appropriate clarifications or guidelines as and when required. SCHEDULE - 1 Form PB- I / Form PB-2 APPLICATION FORM FOR NEW OFFICE OPENING / Form for intimation of Opening of a Place of Business Insurer who seeks to open new office will have to fill up the form, same form to be filed in case of new office opening which requires prior approval of the Authority or intimation to the Authority. 1

2. Name of Insurer Type of filing: Reason for Reconsideration of the application (if applicable) Proposed Office Location Details Address* *: State/ UT*: District*: City/Town/Village*: Pin Code* *: (*Mandatory while filing application for opening a place of business and * *Mandatory while intimating after opening of the place of business) 3(a) Classification of Location (i) Location: Metro/Urban/Semi-Urban(ii) Classification: Tier 1/11/111/1V/V/VI (iii) Type of Office: (iv) Classification as per Census (Year): (v) Population as per census (Year) 3(b) Solvency Margin & Expenses of Management (i) Expenses of Management for three years (as on) (ii) Solvency Margin

for three years (As on) 3 (c) Other Details: (i) Distinctive Code: (ii) Date of office Opening:

4. Application Submission Details i. Date of submission of application (if applicable) ii. How many previously approved offices are pending for opening with the insurer? t iii. iv. v. vi. vii. viii. ix. x. 31 Whether the insurer complied with the prescribed ceiling on expenses of management during the previous financial year? Whether the insurer complied with prescribed solvency norms during the previous financial year? Proposed total capital expenditure involved in opening of the new office Whether the office would be connected to the insurer's IT network Whether issue of online premium receipts is planned for the proposed offices If connectivity is not provided, what alternative servicing arrangements have been made and what is the distance of the proposed office from the nearest supporting office. Date of approval for opening of offices by the Board of Directors Functions proposed to be handled at the proposed office (Please mention yes/no) a b c. d. e. f. g. h. Sales Support Premium Collect: on New Business Policy Servicing Investment Corporate Functions Others (to Specify) Back end office with no customer interface : 5. Expected Business Year Year 1 Year 2 Year 3 6. Proposed Manpower No. of New Policies Premium income from new business No. or Employees Designation Enclosures: 1. Copy of Board approved Annual Business Plan 2. Statement of Solvency Ratio for 3 FYs 3. Statement of Expenses of Management for 3 FYs Signature of CEO OR Signature of Chief Compliance Officer # For the purpose of these forms Metropolitan Centre is a place where population is lacs and above and Urban Center with a population of i lac to 9,99,999, semi Urban from 10,000 to 99,999 population figures to be reckoned as per the latest available decennial census data. Form PB-3 REQUEST FOR APPROVAL FOR RELOCATION OF OFFICES Request for approval for relocation of offices (other than for relocation within the same city, town or village (for all type of cities) Pin Code State District City 3/s-sn 4 32 ii. lii. v. vi. vii. THE Distinctive Code Name of Insurer: GAZETTE OF INDIA : EXTRAORDINARY [PART III—SEC. 41 Location details of existing office Address line 1 Address line 2 Address Line 3 W. State/UT District City/Town/Village Pin Code 2 (b) Classification of Location 30). i. Location: Metro/Urban/Semi-Urban ii. Classification: Tier 1/11/111/1V/V/VI iii. Type of Office iv. Classification as per census (year) v. Date of office opening vi. Population as per census (Year) Details of new office location ii. iii. vii Address line 1 Address line 2 Address Line 3 State:UT District City/ Town/ Village Pin Code 3 (b) Classification of Location Location : Metro/Urban/Semi-Urban ii. Classification: Tier 1/11/111/1V/V/VI iii Type of Office: iv Classification as per census (year) 4. Other details Proposed date of Relocation ii. iii. If Yes: Date of approval by the Board of Directors for relocating of office Notified to the policyholders on relocation? (Two months prior notice) Yes/No If No Reasons: Date of Notification: Mode of Notification: Enclosures: 1. Copy of Board Resolution Signed by CEO (or) Chief Compliance Officer 33 Form - PB-4 INTIMATION FOR CLOSURE OF OFFICES Intimation of Closure of offices (all cities) (Insurers are required to notify the closure of office at least 2 months in advance to the Authority) Pin Code State District City Distinctive Code 1. Name of Insurer: 20). Location details of existing office Address line I ii. Address line 2 iii. Address Line 3 W. State/UT District v. vi. City/Town/Village vii. Pin Code 2 (b) Classification of Location i. Location (Metro/Urban/Semi-Urban) ii. Classification (Tier to Tier VI) iii. Type of Office iv. Classification as per census v. Date of office opening 3. Other details i. Unique Id Number, if any ii Date of closure iii Date of approval by the Board of Directors/PPC for closing of office iv. Notified to the policyholders on closure (two months prior notice) If No, specify the reasons: If Yes, Date of Notification: Mode of Notification: v. Notified to the Authority on Enclosures: I. Copy of the Board Resolution (Mandatory) Signed by CEO (or) Chief Compliance Officer FORM - PB-5 (INTIMATION AFTER RELOCATION) Intimation of relocated office Type of Intimation Distinctive Code 34 1. 2(a). THE GAZETTE Name of Insurer: Location details of existing office OF INDIA : EXTRAORDINARY [PART III—SEC. 4] ii. iii. iv. v. vi. vii. Address line I Address line 2 Address Line 3 State/UT District City/Town/Village Pin Code 2 (b) Classification of Location ii. iii. iv. v. Location: Metro / Urban/ Semi Urban Classification: Tier 1/11/111/11, NN1 Type of Office Classification as per census (Year) Date of office opening 3. Other details Actual Date of Relocation: Remarks, if any Enclosures: I. Copy of the Board Resolution Signature of CEO/CCO FORM - FPB-I The Chairman Insurance Regulatory and Development Authority of India, 3rd Floor, Parisrama Bhavpn, Basheer Bagh, Hyderabad 500 004 Re: Application for opening of a representative/ liaison office outside India by Insurer registered with IRDAI S. No. 2 3 4 i) iii) 2 3 c Particulars General Information Full Name of the Insurance Company Place and Date of Incorporation Address of Head Office Registration No. Ownership &

Management List of names and addresses of directors and their qualifications and principal business Name & Address Qualifications Principal Business Name, Address and contact details of Chief Executive Officer or Principal Officer of the proposed representative or liaison office Name, designation, address and contact details of Key Person at Head Quarters who will be responsible for overseeing the company's representative/ liaison office outside India Details of proposed representative/ liaison office outside India Details 35 2 3 4 5 6 2 3 4 5 6 1 2 3 4 5 Location Purpose of opening the representative/ liaison office Activities proposed to be undertaken (Refer Regulation 21) Estimated annual expenses and sources and manner of meeting these expenses Whether approval of the Government of India (in respect of LIC/ PSU's only) and Board of Directors has been taken. If so, submit certified copies of necessary approvals. Copies of Government/ Regulatory approval or in-principle clearance from host country Financial Position of the Insurance Company in the preceding three Financial Years Details of capital: (i) Paid-up capital: (ii) Free Reserves as per last audited Balance Sheet Highlights of financial position of the Insurer based on last three years financial statements Solvency Margin Ratio Management Expense Ratio for last 3 years Combined Ratio for last 3 years Has Government of India or any Regulatory body taken any action or imposed any penalty, fine, etc on the Insurer. If so, the details thereof. Supervisory Arrangements Details of supervisory arrangements to which the Insurer will be subject to in the jurisdiction where it is proposing to open a representative/ liaison office. Documents to be enclosed Copies of Memorandum and Articles of Association Last 3 years financial statements Certified copies of approval of the Government of India (in respect of LIC/ PSU's only) and Board of Directors Copies of Government/ Regulatory approval from host country or in- principle clearance received from them, if any Copy of research unaertaken, if any, to arrive at a decision for opening a representative/ liaison office in the host country We hereby declare that: (i) The particulars given above are true and correct to the best of our knowledge and belief; (ii) We shall confine our activities outside India to the fields indicated in column C.3 above; (iii) We will abide by the terms and conditions that may be stipulated by Insurance Regulatory and Development Authority of India, if approval is given. (Signature of Chief Executive Officer Or Chief Compliance Officer of the Applicant Company) Name: Designation: Place: Date: [PART III—SEC. 41 THE GAZETTE OF INDIA : EXTRAORDINARY 36 Form FPB-2 The Chairman Insurance Regulatory and Development Authority of India 3rd Floor, Parisrama Bhavan Basheer Bagh Hyderabad 500 004 Re:A lication for o nin ofa forei n branch office of Insurers istered with IRDAI Details Sl. No. 2. 3. 4. 2. 3. c 2. 3. 4. 5. 6. 7. 8. 9. D. 2. 3. 4

5. Particulars General Information Full Name of the Insurer Place and Date of Incorporation Address of Corporate Office Registration No.Ownership & Management (as on date of application) List of names and addresses of Directors and their qualifications and principal business (i) Name & Address (ii) Qualifications (iii) Principal Business Name, Address and contact details of Chief Executive Officer Details of shareholders holding more than 5% of the share capital Financial Position of the Insurer (as on date of application) Details of capital: (i) Paid-up capital: (ii) Free Reserves as per last audited Balance Sheet Highlights of financial position of the Insurer based on last three years financial statements Net worth for the preceding 3 Financial Years Profits for the preceding 5 years Solvency Margin Ratio of the preceding 3 Financial Years Management Expense Ratio for preceding 3 Financial Years Combined Ratio for preceding 3 Financial Years Shareholders Fund beyond solvency margin requirement for the preceding 3 Financial Years Has Government of India or any Regulatory body taken any action or imposed any penalty, fine, etc on the Insurer, during the preceding 3 Financial Years. If so, the details thereof. Details of proposed office outside India Location Name, Address and contact details of Chief Executive Officer of the proposed branch office outside India Purpose of opening the office outside India Class of insurance business proposed to be underwritten Submit detailed Financial Projections - 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 beginning. These should set out the following: (i) Size of sales force. (ii) Amount of sales. (iii) Size of sales support and administrative staff. 37 6. 7. 8. 1. 2. 3. 4. 5. 6. F 2. 3. 4. 5. (iv) Premium income. (v) Investment income. (vi) Commissions and other sales related expenses. (vii) Expenses of administration. (viii) Income tax and other taxes. (ix) Statutory reserves. (x) Required solvency margins. (xi) Profit and loss accounts and balance sheets. (xii) First year and renewal expense ratios. (xiii) Capital needs (xiv) Break-even periods and the Return on Capital. (xv) Shareholder dividends: Indian and Foreign. (xvi) Policyholder surpluses and bonus declarations This section should also discuss the manner in which the future capital needs will be met. Sensitivity Analysis - The analysis set out in S. No. 5 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: (i) Size of sales force. (ii) Volume of sales. (iii) Average size of sale. (iv) Levels of mortality/morbidity, policy terminations for life/ health. (v) Administrative expenses (including inflation). (vi) Future investment conditions. (vii) A discussion on the manner in which the outcome of the pessimistic scenarios will be handled should be included. (viii) Estimated annual expenses and sources and manner of meeting these expenses Whether approval of the Government of India (in respect of LIC/ PSU's only) and Board of Directors has been taken. If so, please submit certified copies of the approvals. Copies of Government/ Regulatory approval or in-principle clearance from host country, if any. Supervisory Arrangements Details of supervisory arrangements to which the Insurer is subject to in the jurisdiction where it is proposing to open an office outside India. Nature of the Branch Office (how it is incorporated in the host country) Proposed name of the Branch Office in host country Place and Date of Incorporation Address of Office of FBO Registration No. Ownership & Management of the proposed foreign branch office List of names and addresses of Key persons and their qualifications and principal business of the proposed foreign branch office Name & Address Qualifications Principal Business Name, Address and contact details of Chief Executive Officer of the foreign Branch Office [PART III—SEC. 4] 38 THE GAZETTE OF INDIA : EXTRAORDINARY 6. Name, designation, address and contact details of Key Person at Indian Corporate Office who is responsible for overseeing the foreign branch office G Documents to be enclosed Copies of Memorandum and Articles of Association 1. Preceding 3 financial years financial statements 2. Certified copies of approval of the Government of India (in respect of 3. LIC/ PSU's only) and Board of Directors Copies of Government/ Regulatory approval from host country or in- 4. principle clearance received from them Copy of research undertaken, if any, to arrive at a decision of opening 5. of branch office in a the host country Any other documents, which are deemed relevant and substantiate the 6. opening of office outside India We hereby declare that: (i) The particulars given above are true and correct to the best of our knowledge and belief; (ii) We shall confine our activities outside India to the fields indicated at Sl. No. D(4) above; (iii) We will abide by the terms and conditions that may be stipulated by Insurance Regulatory and Development Authority of India, if approval is given. (Signature of Chief Executive Officer Or Chief Compliance Officer of the Applicant Company) Name: Designation: Place: Date: 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. (Signature of Chief Executive Officer Or Chief Compliance Officer of the Applicant Company) Name: Designation: Place: Date: T.S. VIJAYAN, Chairman [ADVT.111/4/Ext./161/15(141)] Printed by the Manager, Government of India Press, Ring Road, Mayapuri, New Delhi-1 10064 and Published by the Controller of Publications. Delhi- 1 10054.