

**INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY
(LIFE INSURANCE-REINSURANCE) REGULATIONS, 2000**

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**INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY
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In exercise of the powers conferred by section 114A of the Insurance Act, 1938, read with sections 14 and 26 of the Insurance Regulatory and Development Authority Act, 1992, the Authority, in consultation with the insurance Advisory Committee hereby makes the following regulations, namely:

1. Short, title and commencement :-

(1) These regulations may be called the Insurance Regulatory and Development Authority (Life Insurance-Reinsurance) Regulations, 2000.

(2) They shall come into force on the date of their notification 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 Act, 1999 (41 of 1999)

(c) "retention" means the amount of risk which an insurer assumes for his own account.

(d) words and expressions used and not defined in these regulations but defined in the Insurance Act, 1938 (4 of 1938) or Insurance Regulatory and Development Authority Act, 1999 (41 of 1999), shall have the meanings respectively assigned to them in

those Acts as the case may be.

3. Procedure to be followed for reinsurance arrangements

:-

(1) Every life insurer shall draw up a programme of reinsurance in respect of lives covered by him.

(2) The profile of such a programme, duly certified by the appointed actuary, which shall include the name(s) of the reinsurer(s) with whom the insurer proposes to place business, shall be filed with the Authority, at least forty-five days before the commencement of each financial year, by the insurer: Provided that the Authority may, if it considers necessary, elicit from the insurer any additional information, from time to time, and the insurer shall furnish the same to the Authority forthwith.

(3) The Authority shall scrutinise such a programme of reinsurance as referred to in sub-regulation (2), and may suggest changes, if it considers necessary, and the insurer shall incorporate such changes forthwith in his programme.

(4) Every insurer shall retain the maximum premium earned in India commensurate with his financial strength and volume of business.

(5) The reinsurer, chosen by the insurer, shall enjoy a credit rating of a minimum of BBB of standard and poor or equivalent rating of any international rating agency: Provided that placement of business by the insurer with any other reinsurer shall be with the approval of the Authority: Provided further that no programme of reinsurance shall be on original premium basis unless the Authority approves such programme: Provided further that no life insurer shall have reinsurance treaty arrangement with its promoter company or its associate/group company, except on terms which are commercially competitive in the market and with the prior approval of the Authority, which shall be final and binding.

(6) Every insurer shall submit to the Authority statistics relating to its reinsurance transaction in such forms as it may specify, together with its annual accounts.

4. Inward reinsurance business :-

(1) Every insurer who wants to write inward reinsurance business shall adopt a well-defined underwriting policy for underwriting

inward reinsurance business.

(2) An insurer shall ensure that decisions on acceptance of reinsurance business are made by persons with adequate knowledge and experience, preferably in consultation with the insurer's appointed actuary.

(3) An insurer shall file with the Authority, at least forty-five days before the commencement of each financial year, a note on its underwriting policy indicating the classes of business, geographical scope, under-writing limits and profit objective.

(4) An insurer shall also file any changes to the note referred to in sub regulation (3) as and when a change in underwriting policy is made