



Guidelines

Ref.: IRDAI/RI/GDL/MISC/038 /01/2020

दिनांक: 31st January, 2020

To,

All Insurers as defined under Sec. 2 (9) of the Act, IFSC IIOs, Exempted Insurers;

Re: Guidelines on filing of Re-insurance arrangements with the IRDAI.

1. This has reference to the Reg. 3 (3) (A) (b) of the IRDAI (Re-insurance), Regulations, 2018 as per which, the Insurers as defined under Sec. 2 (9) of the Act, IFSC IIOs, Exempted Insurers (hereinafter referred as 'insurer' for the purpose of these guidelines), have to submit its re-insurance Programme for the forthcoming financial year, forty-five (45) days before commencement of the financial year;
2. In addition to submissions as per provisions of above mentioned regulations, the insurers shall comply with the following;
 - a. to confirm that, the reinsurance treaty(ies) applicable for particular financial year meet the risk transfer requirements. Any re-insurance arrangement which do not have pure risk transfer such as Capital Gearing Treaty, Alternate Risk Transfer Solution, Financial Re-insurance, non-traditional structured re-insurance solution or any other term or name called, need to be informed to the IRDAI;
 - b. in case the insurer intends to adopt ART, non-traditional structured solutions, Financial Re-insurance, then it shall take prior approval of the Authority, as per provisions of Reg. 8 of the IRDAI (Re-insurance) Regulations, 2018;
 - c. to inform the IRDAI on or before 1st March of every year about any proposed re-insurance arrangement (other than pure risk transfer / traditional re-insurance contract) to be entered in to by the insurer as specified in para 3 (a) of this guidelines;
 - d. to obtain due confirmation from the lead reinsurer(s) specifying the methodology used for such risk transfer and its compliance and submit the same with the IRDAI whenever called for;
3. We reiterate that, the accounting treatment for the ART agreements shall be as per the provisions of the IRDA Circular No. IRDA/CIR/F&A/053/DEC-04 dated 08th December, 2004;
4. This is issued in exercise of the powers conferred under Sec. 14 of the IRDA Act, 1999.

These guidelines shall be applicable with immediate effect.

Suresh Mathur
Executive Director