



भारतीय बीमा विनियामक और विकास प्राधिकरण
INSURANCE REGULATORY AND
DEVELOPMENT AUTHORITY OF INDIA

Order

Ref: IRDAI/F&I/ORD/MISC/152/7/2022

Date: 21st July, 2022

Working Group on Accounting of Premium, Claims and Related Expenses on Estimation Basis and Repatriation of Surplus by FRBs.

The Authority, vide Circular IRDA/F&A/CIR/MISC/123/6/2022 dated 15.06.2022, provided framework for Accounting by Branches of Foreign Reinsurers (FRBs) on estimation basis. Further, the Authority has been receiving requests for approval for repatriation of surplus under Regulation 28(11) of the IRDAI (Registration and Operations of Branch Offices of Foreign Reinsurers other than Lloyd's) Regulations, 2015.

In order to examine the above, the competent Authority has decided to set up a Working Group with the following members:

Sr.	Name	Designation and Organisation	Role in Working Group
1	Smt. Jayashree Ranade	GM & CFO, GIC Re	Chairperson
2	Mr. Hadi Raichi	CEO, Swiss Re India Branch	Member
3	Mr. Hitesh Kotak	CEO, Munich Re India Branch	Member
4	Mr. G.L.N. Sarma	CEO, Hannover Re India Branch	Member
5	Mr. Pankaj Kumar Tewari	GM (Reinsurance), IRDAI	Member
6	Mr. Mahesh Agarwal	GM (F&I), IRDAI	Member
7	Mr. Nirmal Jain	AM (F&I), IRDAI	Member-Convener

The Terms of Reference of the Working Group are as follows:

1. Study the existing practices being followed by FRBs and suggest the procedure to be followed with regard to accounting on estimation basis including the following
 - a. The process for estimating the premium, claims and other expenses;
 - b. The time period for truing up the estimations with the actuals;
 - c. The process of truing up the estimation with the actuals.

2. Suggest framework to be put in place to permit the repatriation of surplus including the following:
 - a. The manner for determination of the part of surplus attributable to accounting on estimation basis;
 - b. Portion of surplus to be allowed to be repatriated and portion of surplus to be retained with the branch along with the basis for determination of the same;
 - c. Appropriate time period, after the end of financial year, when the surplus can be permitted to be repatriated, in light of the time required to true up the estimates.
3. Restrictions/conditions, if any, to be placed while permitting the repatriation of surplus.
4. Any other matter as may be considered appropriate by the working group with regard to above issues.

The Working Group shall meet as often as may be required and submit its recommendation within 3 weeks of this Order.


(Rakesh Joshi)
Member (F&I)