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PART III—Section 4

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INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA

NOTIFICATION

Hyderabad, the 1st August, 2016

Insurance Regulatory and Development Authority of India

(Investment) Regulations, 2016

F. No. IRDAI/Reg/22/134/2016.— *In exercise of the powers conferred by clause (i) subsection(2) of Section 114A read with Section 27, 27A, 27B, 27C, 27D and 28 of the Insurance Act, 1938 (4 of 1938), the Authority, in consultation with the Insurance Advisory Committee, hereby makes the following Regulations.*

1. Short title and commencement

1. (1) *These regulations may be called the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016*

(2) *They shall come into force on the date 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) “**Accretion of funds**” means investment income, gains / loss on sale/redemption of existing investment and operating surplus

(c) “**Accounting Standard**” (AS) means applicable Accounting Standard or Indian Accounting Standard (Ind AS) as issued by the Institute of Chartered Accountants of India and notified by the Central Government under the Companies Act, to the extent recognized under the IRDAI (Preparation of Financial Statements and Audit Report) Regulations, issued in that behalf

(d) “**Approved Investments**” means Investments made as per Regulation 3 (a) and (b) read with Schedule I and Schedule II of this regulation.

(da) “**Assets**” means assets in India, held by an Insurer in accordance with the provisions of Section 31 of the Act

(e) “**Authority**” means the Insurance Regulatory and Development Authority of India established under sub-section (1) of section 3 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999)

(f) “**Financial Derivatives**” means a derivative as defined under clause (ac) of section 2 of the Securities Contracts (Regulation) Act, 1956, and includes a contract which derives its value from interest rates of underlying debt securities and such other derivative contracts as may be stipulated by the Authority, from time to time

(g) “**Group**” means: two or more individuals, association of individuals, firms, trusts, trustees or bodies corporate, or any combination thereof, which exercises, or is established to be in a position to exercise, significant influence and / or control, directly or indirectly, over any associate as defined in Accounting Standard (AS), body corporate, firm or trust, or use of common brand names, Associated persons, as may be stipulated by the Authority, from time to time, by issuance of guidelines under these regulations

Explanation: Use of common brand names in conjunction with other parameters of significant influence and / or control, whether direct or indirect shall be reckoned for determination for inclusion as forming part of the group or otherwise.

(h) “**Infrastructure facility**” means, the ‘**Harmonized Master list of Infrastructure sub-sectors**’ as per Gazette Notification Dt. 14th October, 2014 of Department of Economic Affairs, as amended from time to time, and shall also include the following:

1. a road, including toll road, a bridge or a rail system;
2. a highway project including other activities being an integral part of the highway project;
3. a port, airport, inland waterway or inland port and associated railway sidings;
4. a water supply project, irrigation project, water treatment system, sanitation and sewerage system or solid waste management system;

5. *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;*
6. *an industrial park or special economic zone;*
7. *generation or generation and distribution of power (both conventional and non-conventional);*
8. *transmission or distribution of power by laying a network of new transmission or distribution lines including telecom towers;*
9. *construction relating to projects involving agro-processing and supply of inputs to agriculture;*
10. *construction for preservation and storage of processed agro-products, perishable goods such as fruits, vegetables and flowers including testing facilities for quality;*
11. *construction of educational institutions and hospitals;*

(i) “**Investment Assets**” mean all investments made out of:

(1) *in the case of Life Insurer*

- (i) *shareholders’ funds representing solvency margin, non-unit reserves of unit linked insurance business, participating and non-participating funds of policyholders, funds of variable insurance products including One Year Renewable pure Group Term Assurance Business (OYRGTA) at their carrying value*
- (ii) *policyholders’ funds of Pension, Annuity business and Group business including funds of variable insurance products at their carrying value*
- (iii) *policyholders’ unit reserves of unit linked insurance business including funds of variable insurance products at their market value as per guidelines issued under these regulations, from time to time*

(2) *in the case of General Insurer including an insurer carrying on business of re-insurance or health insurance*

or in case of a branch of a foreign company engaged in the business of re-insurance, funds maintained in its head office account, shareholders’ funds representing solvency margin and policyholders’ funds at their carrying value

as shown in its balance sheet prepared in accordance with any regulations issued in that behalf for the time being in force, by IRDAI (Preparation of Financial Statements and Auditors’ Report of Insurance Companies) Regulations

(j) **Money Market Instruments**

Money Market Instruments shall comprise of Short term investments with maturity not more than one year comprising of the following instruments:

1. *Certificate of deposit rated by a credit rating agency registered under SEBI (Credit Rating Agencies) Regulations, 1999*
2. *Commercial paper rated by a credit rating agency registered under SEBI (Credit Rating Agencies) Regulations, 1999*
3. *Reverse Repo*
4. *Treasury Bills (including Cash Management Bills)*
5. *Call, Notice, Term Money*
6. *CBLO as per Schedules I and II of these Regulations.*
7. *Any other instrument as may be prescribed by the Authority*

(k) “**Promoter**” means a promoter as defined under Regulation 2 (1) (x) of IRDAI (Issuance of Capital by Indian Insurance Companies transacting life insurance business) Regulations

(l) “**Principal Officer**” means any person connected with the management of an insurer 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 but defined in the Act or in the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999) or in any Rules or Regulations made thereunder, shall have the meanings respectively assigned to them in those Acts or Rules or Regulations”

3. **Approved Investments**

a) No insurer shall invest or keep invested any part of its Controlled Fund, as defined under Sec 27A / Assets as defined under Sec 27 (2) of the Act, read together with Sec 27E of the Act, otherwise than in approved securities, as per Section 2(3) of Insurance Act, 1938, as amended from time to time and in any of the following **approved investments**, namely:—

1. debentures secured by a first charge on any immoveable property plant or equipment of any company which has paid interest in full
2. debentures secured by a first charge on any immovable property, plant or equipment of any company where either the book value or the market value, whichever is less, of such property, plant or equipment is more than three times the value of such debentures
3. first debentures secured by a floating charge on all its assets of any company which has paid dividends on its equity shares
4. preference shares of any company which has paid dividends on its equity shares for at least two consecutive years immediately preceding
5. equity shares of any listed company on which not less than ten percent dividends have been paid for at least two consecutive years immediately preceding
6. immovable property situated in India, **provided** that the property is free of all encumbrances;
7. loans on policies of life insurance within their surrender values issued by him or by an insurer whose business he has acquired and in respect of which business he has assumed liability;
8. Fixed Deposits with banks included for the time being in the Second Schedule to the Reserve Bank of India Act, 1934 (2 of 1934) and;

such other investments as the Authority may, by notification in the Official Gazette, declare to be Approved Investments.

b) In addition the following investments shall be **deemed** as Approved Investments

1. All rated debentures (including bonds) and other rated & secured debt instruments as per Note appended to Regulations 4 to 9. Equity shares, preference shares and debt instruments issued by All India Financial Institutions recognized as such by Reserve Bank of India – investments shall be made in terms of investment policy guidelines, benchmarks and exposure norms, limits approved by the Board of Directors of the insurer.
2. Bonds or debentures issued by companies, rated not less than AA or its equivalent and A1 or equivalent ratings for short term bonds, debentures, certificate of deposits and commercial papers by a credit rating agency, registered under SEBI (Credit Rating Agencies) Regulations 1999
3. Subject to norms and limits approved by the Board of Directors of the insurer's deposits [including fixed deposits as per Regulation 3 (a) (8)] with banks (e.g. in current account, call deposits, notice deposits, certificate of deposits etc.) included for the time being in the Second Schedule to Reserve Bank of India Act, 1934 (2 of 1934) and deposits with primary dealers duly recognized by Reserve Bank of India as such.
4. Collateralized Borrowing & Lending Obligations (CBLO) created by the Clearing Corporation of India Ltd and recognized by the Reserve Bank of India and exposure to Gilt, G Sec and liquid mutual fund forming part of Approved Investments as per Mutual Fund Guidelines issued under these regulations and money market instrument / investment.
5. Asset Backed Securities with underlying Housing loans or having infrastructure assets as underlying as defined under 'infrastructure facility' in Regulation 2 (h) as amended from time to time.
6. Commercial papers issued by All India Financial Institutions recognized as such by Reserve Bank of India having a credit rating of A1 by a credit rating agency registered under SEBI (Credit Rating Agencies) Regulations 1999
7. Money Market instruments as defined in Regulation 2(j) of this Regulation, subject to provisions of approved investments.

Explanation: All conditions mentioned in the 'note' appended to Regulation 4 to 9 shall be complied with.

c) The board of the insurer, to comply with the provisions of **Section 27A (2) (ii)** of the Act, may delegate to Investment Committee, for investments already made and the continuance of such investments from controlled fund / assets, in otherwise than in an approved investments, and in All India Financial Institutions recognized as such by RBI for

investments carrying a rating of less than AA and being part of Approved Investment. The investment committee shall be responsible for the details, analysis and review of non-performing assets of investments on a quarterly periodicity. The insurer shall report compliance of this provision to the Authority through Form 4.

- d) Unless specifically permitted by the Authority, no investment shall be made in any entity not formed under laws relating to companies in India and in any private limited company or one person company or a company formed under section 8 of the Companies Act, 2013 or erstwhile Section 25 of the Companies Act, 1956.

4. Regulation of Investments – Life Insurer

A life insurer, for the purpose of these Regulations, shall invest and at all times keep invested, the Investment Assets forming part of the Controlled Fund as under:

- a. all funds (excluding Shareholders' funds held beyond solvency margin, held in a separate custody account) of Life insurance business and One Year Renewable pure Group Term Assurance Business (OYRGTA), and non-unit reserves of all categories of Unit linked life insurance business, as per Regulation 5
 - b. all funds of Pension, Annuity and Group Business [as defined under Regulation 2 (1)(e) of IRDAI (Actuarial Report and Abstract for life insurance business) Regulations] as per Regulation 6; and
 - c. the unit reserves portion of all categories of Unit linked funds, as per Regulation 7”
5. Without prejudice to Sections 10 (2AA), 27 or 27A of the Act and any provisions of these Regulations, every insurer carrying on the business of Life Insurance, shall invest and at all times keep invested its Investment Assets as defined in Regulation 4 (a) (other than funds relating to Pension & General Annuity and Group Business and unit reserves of all categories of Unit Linked Business) in the following manner:

No	Type of Investment	Percentage to funds as under Regulation 4(a)
(i)	Central Government Securities	Not less than 25%
(ii)	Central Government Securities, State Government Securities or Other Approved Securities	Not less than 50%(incl (i) above)
(iii)	Approved Investments as specified in Regulation 3 (a), (b) and Other Investments as specified in Section 27A (2) and Schedule I to these Regulations, (all taken together)	Not exceeding 50%
(iv)	subject to Exposure / Prudential Norms as specified in Regulation 9: Other Investments as specified in Section 27A (2), subject to Exposure / Prudential Norms as specified in Regulation 9:	Not exceeding 15%
(v)	Investment in housing and infrastructure by way of subscription or purchase of: A. Investment in Housing a. Bonds / debentures of HUDCO and National Housing Bank b. Bonds / debentures of Housing Finance Companies either duly accredited by National Housing Banks, for house building activities, or duly guaranteed by Government or carrying current rating of not less than 'AA' by a credit rating agency registered under SEBI (Credit Rating Agencies) Regulations, 1999 c. Asset Backed Securities with underlying housing loans, satisfying the norms specified in the guidelines issued under these regulations from time to time. B. Investment in Infrastructure (Explanation: Subscription or purchase of Bonds / Debentures, Equity and Asset Backed Securities with underlying infrastructure assets would qualify for the purpose of this requirement. 'Infrastructure facility' shall have the meaning as given in Regulation 2 (h) as amended from time to time Note: Investments made under category (i) and (ii) above may be considered as investment in housing and infrastructure, provided the respective government issues such a security specifically to meet the needs of any of the sectors specified as 'infrastructure facility'	Total Investment in housing and infrastructure (i.e., investment in categories (i), (ii), (iii) and (iv) above taken together shall not be less than 15% of the fund under Regulation 4(a)

6. Without prejudice to Sections 10 (2AA), 27 or 27A of the Act and any provisions of these Regulations every insurer carrying on Pension, Annuity and Group Business [as defined under Regulation 2 (1) (e) of IRDAI (Actuarial Report and Abstract for life insurance business) Regulations] shall invest and at all times keep invested its Investment Assets of Pension, Annuity and Group business in the following manner:

No	Type of Investment	Percentage to funds under Regulation 4(b)
(i)	Central Government Securities	Not less than 20%
(ii)	Central Government Securities, State Government Securities or Other Approved Securities	Not less than 40% (incl (i) above)
(iii)	Balance to be invested in Approved Investments, as specified in Schedule I, subject to Exposure / Prudential norms as specified in Regulation 9.	Not exceeding 60%

Note: For the purposes of this regulation no investment falling under 'Other Investments' as specified under Section 27A (2) shall be made

7. Unit Linked Insurance Business

- a. Without prejudice to Sections 10 (2AA), 27 or 27A of the Act and any provisions of these Regulations every insurer shall invest and at all times keep invested its segregated fund(s) under Regulation 4(c) (with underlying securities at custodian level) of Unit linked business as per pattern of investment offered to and subscribed to by the policyholders where the units are linked to categories of assets which are both marketable and readily realizable within the approved pattern as per the product regulations.

However, the investment in Approved Investments shall not be less than 75% of such fund(s) in each such segregated fund”

- a. All prudential and exposure norms under Regulation 9, shall be applicable at the level of individual segregated fund at SFIN level
- b. Insurer shall, as per circular / guidelines issued, from time to time, disclose on their website, the minimum information required for the benefit of policyholders

8. Regulation of Investments - General Insurer including an insurer carrying on business of re-insurance or health insurance

Without prejudice to Sections 10 (2AA), 27, or 27B of the Act and any provisions of these regulations, an insurer carrying on the business of General Insurance including an insurer carrying on business of re-insurance or health insurance shall invest and at all times keep invested its investment assets in the manner set out below:

No	Type of Investment	Percentage of Investment Assets
(i)	Central Government Securities	Not less than 20%
(ii)	Central Government Securities, State Government Securities or Other Approved Securities	Not less than 30%(incl (i) above)
(iii)	Approved Investments as specified in Regulation 3 (a), (b) and Other Investments as specified in Section 27A (2) and Schedule II to these Regulations, (all taken together) subject to Exposure / Prudential Norms as specified in Regulation 9:	Not exceeding 70%
(iv)	Other investments as specified in Section 27A (2), subject to Exposure / Prudential Norms as specified in Regulation 9:	Not more than 15%
(v)	Housing and loans to State Government for Housing and Fire Fighting equipment, by way of subscription or purchase of: A. Investments in Housing a. Bonds / Debentures issued by HUDCO, National Housing Bank b. Bonds / debentures of Housing Finance Companies either duly accredited by National Housing Bank, for house building activities, or duly guaranteed by Government or carrying	Total Investment in housing and infrastructure (i.e.,) investment in categories (i), (ii), (iii) and (iv) above taken together shall not be less than 15% of the Investment Assets

No	Type of Investment	Percentage of Investment Assets
	<p>current rating of not less than 'AA' by a credit rating agency registered under SEBI (Credit Rating Agencies) Regulations, 1999</p> <p>c. Asset Backed Securities with underlying Housing loans, satisfying the norms specified in the Guidelines issued under these regulations from time to time.</p> <p>B. Investment in Infrastructure</p> <p>(Explanation: Subscription or purchase of Bonds/ Debentures, Equity and Asset Backed Securities with underlying infrastructure assets would qualify for the purpose of this requirement.</p> <p>'Infrastructure facility' shall have the meaning as given in Regulation 2 (h) as amended from time to time.</p> <p>Note: Investments made under category (i) and (ii) above may be considered as investment in housing or infrastructure, as the case may be, provided the respective government issues such a security specifically to meet the needs of any of the sectors specified as 'infrastructure facility'</p>	

"Note – For the purpose of Regulations 4 to 8

1. Applicability of Pattern of Investment

Pattern of Investment will not be applicable for Shareholders' funds held in business beyond required solvency margin, and not taken in calculation of solvency margin. Such excess shall be:

- i. made after fully complying with investment in Central Government Securities, State Government and Other Approved Securities and in Housing & Infrastructure Investments from funds representing solvency margin.
 - ii. such excess of Shareholder's funds, held beyond Solvency Margin requirement, shall be held in a separate custody account with identified scrips
 - iii. such excess funds shall be determined only after Actuarial Valuation, certified by Appointed Actuary and such valuation is filed with the Authority.
 - iv. such transfer made between quarters, shall be certified by the Concurrent Auditor to have complied with points (i), (ii) and (iii) above
 - v. Exposure Norms of 'investee company', 'group', 'pro moter group' and 'industry sector' shall be applicable to both funds representing solvency margin [FRSM] and funds held in excess of required solvency margin.
2. All investment in assets or instruments, which are capable of being rated as per market practice, shall be made on the basis of credit rating of such assets or instruments. No approved investment shall be made in instruments, if such instruments are capable of being rated, but are not rated
 3. The rating should be done by a credit rating agency registered under SEBI (Credit Rating Agencies) Regulations, 1999
 4. Corporate bonds or debentures rated not less than AA or its equivalent and A1 or equivalent ratings for short term bonds, debentures, certificate of deposit and commercial paper, by a credit rating agency, registered under SEBI (Credit Rating Agencies) Regulations, 1999 would be considered as 'Approved Investments'
 5. The rating of a debt instrument issued by All India Financial Institutions recognized as such by RBI shall be of 'AA' or equivalent rating. In case investments of this grade are not available to meet the requirements of the investing insurance company, and Investment Committee of the investing insurance company is fully satisfied about the same, then, for the reasons to be recorded in the Investment Committee's minutes, the Investment Committee may approve investments in instruments carrying current rating of not less than 'A+' or equivalent as rated by a credit rating agency, registered under SEBI (Credit Rating Agencies) Regulations, 1999, would be considered as 'Approved Investments'

6. *Approved Investments under regulations 5, 6, 7 and 8 which are downgraded below the minimum rating prescribed or not continuing to satisfy dividend criteria should be automatically re-classified under 'Other Investments' and specifically identified under a category which shall be valued at marked to market on a quarterly basis, for the purpose of pattern of investment.*
7. *Investments in equity shares listed on a registered stock exchange should be made in actively traded and liquid instruments viz., equity shares other than those defined as thinly traded as per SEBI Regulations and guidelines governing mutual funds issued by SEBI from time to time*
8. (a) *Not less than 75% of investment in debt instruments (including Central Government Securities, State Government Securities or Other Approved Securities) in the case of life insurer and not less than 65% of investment in debt instruments (including Central Government Securities, State Government Securities or Other Approved Securities) in the case of General Insurer including an insurer carrying on business of re-insurance or health insurance - shall be in sovereign debt, AAA or equivalent rating for long term and sovereign debt, A1+ or equivalent for short term instruments. This shall apply at segregated fund(s) in case of Unit linked business*

Note: In calculating the 75% in the case of Life insurers and 65% in the case of General Insurer including an insurer carrying on business of re-insurance or health insurance, of investment in 'Debt' instruments, investment in (a) Reverse Repo with corporate bond underlying (b) Bank Fixed Deposit (c) Investment in Promoter Group Mutual Fund(s) and un-rated Mutual funds, shall not be considered both in numerator and denominator

 (b) *Not more than 5% of funds under Regulation 4 (a) and Regulation 4 (c) in debt instruments (including Central Government Securities, State Government Securities or Other Approved Securities) in the case of life insurer and not more than 8% of investment in debt instruments (including Central Government Securities, State Government Securities or Other Approved Securities) in the case of General Insurer including an insurer carrying on business of re-insurance or health insurance – shall have a rating of A or below or equivalent rating for long term*

 (c) *No investment can be made in other investments out of funds under Regulation 4 (b)*

 (d) *Investments in debt instruments rated AA - (AA minus) or below for long term and below A1 or equivalent for short term debt instruments shall form part of Other Investments*
9. *Notwithstanding the above, it is emphasized that rating should not replace appropriate risk analysis and management on the part of the Insurer. The Insurer should conduct risk analysis commensurate with the complexity of the product(s) and the materiality of their holding, or could also refrain from such investments*

9. Exposure / Prudential Norms

Without prejudice to anything contained in Sections 10(2AA), 27, 27A, 27B and 27C of the Act every insurer shall limit its investment of controlled funds / all assets as per the following exposure norms:

A. Exposure norms for:

1. (a) *all funds of Life insurance business and One Year Renewable pure Group Term Assurance Business (OYRGTA), and non-unit reserves of all categories of Unit linked life insurance business*
 (b) *all funds of Pension, Annuity and Group Business [as defined under Regulation 2 (1) (e) of IRDAI (Actuarial Report and Abstract for life insurance business) Regulations]*
 (c) *the unit reserves portion of all categories of Unit linked funds, as per Regulation 7, Life, Pension, Annuity and Group business and each segregated fund within Unit Linked Insurance business (except for promoter group exposure)*
2. *General insurance business,*
3. *Re-insurance business*
4. *Health insurance business*

for both Approved Investments as per Regulation 3 (a), Schedule I and Schedule II of these Regulations, and Other Investments as permitted under Section 27A (2) shall be as under.

- B. *The maximum exposure limit for a single 'investee' company (equity, debt and other investments taken together) from all investment assets under point (A.1.a, A.1.b, A.1.c all taken together), (A.2), (A.3) and (A.4) mentioned above, shall not exceed the lower of the following;*

(i) an amount of 10% of investment assets as under Regulation 2 (i) (1), Regulation 2 (i) (2) excluding fair value change of investment assets under Regulation 4 (a), 4 (b) and Regulation 2(i)

(ii) an **aggregate** of amount calculated under point (a) **and** (b) of the **following table**

Type of Investment (1)	Limit for 'Investee' Company (2)	Limit for the entire Group of the Investee Company (3)	Limit for Industry Sector to which Investee Company belongs (4)
a. Investment in 'Equity', Preference Shares, Convertible Debentures	10%* of Outstanding Equity Shares (Face Value) or 10% of the amount under point A.1.(a) or A.1.(b) or A.1.(c) [segregated fund] above considered separately in the case of Life insurers / amount under A.2 or A.3 or A.4 in the case of General Insurer including an insurer carrying on business of re- insurance or health insurance whichever is lower	Not more than 15% of the amount under point A.1.(a) or A.1.(b) or A.1.(c) or A.2 or A.3 or A.4 Exposure to Investments made in companies belonging to Promoter Group shall be made as per Point 7 under notes to Regulation 9	Investment by the insurer in any industrial sector should not exceed 15% of the amount under point A.1.(a) or A.1.(b) or A.1.(c) or A.2 or A.3 or A.4 Note: Industrial Sector shall be classified in the lines of National Industrial Classification (All Economic Activities) - 2008 [NIC] for all sectors, except infrastructure sector . Exposure shall be calculated at Division level from A to R. For Financial and Insurance Activities sector exposure shall be at Section level .
b. Investment in Debt (incl. CPs) / Loans and any other permitted Investments as per Act / Regulation other than item 'a' above.	10%* of the Paid-up Share capital, Free reserves (excluding revaluation reserve) and Debentures / Bonds (incl. CPs) of the 'Investee' company or 10% of the amount under point A.1.(a) or A.1.(b) or A.1.(c) [segregated fund] above considered separately in the case of Life insurers / amount under A.2 or A.3 or A.4 in the case of General Insurer including an insurer carrying on business of re- insurance or health insurance whichever is lower.		Exposure to 'infrastructure' investments are subject to Note: 1, 2, 3 and 4 mentioned below

* In the case of insurers having investment assets within the meaning of Regulation 2 (i) (1) and Regulation 2 (i) (2) of the under mentioned size, the (*) marked limit in the above table for investment in equity, preference shares, convertible debentures, debt, loans or any other permitted investment under the Regulations, shall stand substituted as under:

Investment assets	Limit for 'investee' company	
	Equity	Debt
Rs 250000 Crores or more	15% of outstanding equity shares (face value)	15% of paid up share capital, free reserves (excluding revaluation reserve) & debentures / bonds
Rs. 50000 Crores but less than Rs. 250000 Crores	12% of outstanding equity shares (face value)	12% of paid up share capital, free reserves (excluding revaluation reserve) & debentures / bonds

Investment assets	Limit for 'investee' company	
	Equity	Debt
<i>Less than Rs. 50000 Crores</i>	<i>10% of outstanding equity shares (face value)</i>	<i>10% of paid up share capital, free reserves (excluding revaluation reserve) & debentures / bonds</i>

Note:

1. Industry sector norms shall not apply for investments made in 'Infrastructure facility' sector as defined under Regulation 2(h) of this regulation as amended from time to time. NIC classification shall not apply to investments made in 'Infrastructure facility'
2. Investments in Infrastructure Debt Fund (IDF), backed by Central Government as approved by the Authority, on a case to case basis shall be reckoned for investments in Infrastructure.
3. Exposure to a public limited 'Infrastructure investee company' will be:
 - i. 20% of outstanding equity shares (face value) in case of equity (or)
 - ii. 20% of outstanding equity plus free reserves (excluding revaluation reserve) plus debentures / bonds taken together, in the case of debt (or)
 - iii. amount under Regulation 9 (B) (i), whichever is **lower**.
 - iv. The 20% mentioned above, can be further increased by an additional 5%, in case of **debt** instruments alone, with the prior approval of Board of Insurer.
 - v. The outstanding tenure of debt instruments, beyond the exposure prescribed in the above table in this regulation, in an infrastructure Investee Company, should not be less than 5 years at the time of investment.
 - vi. in case of Equity investment, dividend track record as per these regulations, in the case of primary issuance of a wholly owned subsidiary of a Corporate / PSU shall apply to the holding company.
 - vii. all investments made in an 'infrastructure investee company' shall be subject to group / promoter group exposure norms.
4. An insurer can, at the time of investing, subject to group / promoter group exposure norms, invest a maximum of 20% of the project cost (as decided by a competent body) of an Public Limited Special Purpose Vehicle (SPV) engaged in infrastructure sector (or) amount under Regulation 9 (B) (i), whichever is lower, as a part of Approved Investments provided:
 - a. such investment is in Debt
 - b. the parent company guarantees the entire debt extended and the interest payment of SPV
 - c. the principal or interest, if in default and if not paid within 90 days of the due date, such debt shall be classified under other investments.
 - d. the latest instrument of the parent company (ies) has (have) rating of not less than AA
 - e. such guarantee of the parent company (ies) should not exceed 20% of net worth of parent company (ies) including the existing guarantees, if any, given
 - f. the net worth of the parent company (ies), if unlisted, shall not be less than Rs. 500 crores or where the parent company (ies) is listed on stock exchanges having nationwide terminals, the net worth shall not be less than Rs. 250 Crores

Investment Committee should at least on a half-yearly periodicity evaluate the risk of such investments and take necessary corrective actions where the parent company (ies) is floating more than one SPV

5. Investment in securitized assets [Mortgaged Backed Securities (MBS) / Asset Backed Securities (ABS) / Security Receipts (SR)] **both** under approved and other investment category shall not exceed 10% of Investment Assets in case of Life companies and 5% of Investment Asset in the case of General companies. Approved Investment in MBS / ABS with underlying Housing or Infrastructure Assets shall not exceed 10% of investment assets in the case of life

companies and not more than 5% of investment assets in the case of General companies. Any MBS / ABS with underlying housing or infrastructure assets, if downgraded below AAA or equivalent, shall be reclassified as Other Investments.

6. Investment Property within the meaning of Accounting Standards, and covered under Regulation 3 (a) (6) shall not exceed, at the time of investment, 5% of (a) Investment Assets in the case of general insurer and (b) 5% of Investment Assets of life funds in the case of life insurer. Immovable property, held as 'investment property' shall not be for 'self-use'. Immovable property, for self-use, shall be purchased only out of shareholders funds, and shall comply with circular / guidelines issued.
7. Subject to exposure limits mentioned in the table above, an insurer shall not have investments of more than 5% in aggregate of its investment assets in all companies belonging to the promoters' group. Investment made in all companies belonging to the promoters' group shall not be made by way of private placement or in unlisted instruments (equity, debt, certificate of deposits and fixed deposits held in a Scheduled Commercial Bank), except for companies formed by Insurers under Note 12 to Regulation 9
8. The exposure limit for financial and insurance activities (as per Section K of NIC classification – 2008, as amended from time to time) shall stand at 25% of investment assets for all insurers. Investment in Housing Financing Companies and Infrastructure Financing Companies (except investment in Bonds / debentures of HUDCO, NHB and only bonds issued by Housing Finance Companies having a rating of not less than AAA, and investment in Debt, Equity in dedicated infrastructure financing entities forming part of Infrastructure sector) shall form part of exposure to financial and insurance activities (as per Section K of NIC classification – 2008)
9. Where an investment is in partly paid-up shares, the uncalled liability on such shares shall be added to the amount invested for the purpose of computing exposure norms
10. Notwithstanding anything contained in Regulation 9 (B) where new shares are issued to the existing shareholders by a company the existing shares of which are covered by Regulation 3 (a) (5) and the insurer is already a shareholder, the insurer may subscribe to such new shares, **provided** that the proportion of new shares subscribed by him does not exceed the proportion which the paid-up amount on the shares held by him immediately before such subscription bears to the total paid-up capital of the company at the time of such subscription
11. Investment in fixed deposit and certificate of deposit of a Scheduled Bank, in case of life insurers, would be deemed as exposure to financial and insurance activities (as per Section K of NIC classification - 2008). No investment in deposits including FDs and CDs in financial institutions falling under Promoter Group shall be made. Investment in FDs shall not exceed either 3% of controlled fund or not more than 5% of respective fund size [Pension & General Annuity Fund and Unit linked fund(s) at SFIN level], whichever is lower, in the case of Life Insurers and 15% of Investment Assets as per Regulation 2 (i) (2) in the case of General Insurer including an insurer carrying on business of re-insurance or health insurance

Note: Fixed Deposits as permitted under this Regulation kept as ASBA (Application Supported by Blocked Amount) deposit, including FDs with Banks falling under the promoter group of the Insurer, or otherwise, shall be excluded in computation of limits mentioned above. FDs of Banks under Promoter Group, earmarked for complying with ASBA requirement, will be part of exposure to Promoter Group.
12. An insurer shall not out of the controlled fund / assets invest or keep invested in the shares or debentures of any one company more than the exposure prescribed in Regulation 9 above, **provided** that nothing in this regulation shall apply to any investment made with the previous approval of the Board of the Authority by an insurer, being a company with a view to forming a subsidiary company carrying on insurance / re-insurance business.
13. The investee company debt exposure, in Housing Finance Companies, rated not less than AA+, shall be upto 20% of paid-up share capital, free reserves (excluding revaluation reserve) and debentures / bonds (incl. CPs) or amount under Reg. 9(B)(i) whichever is lower. The 20% limit mentioned herein can be further increased by an additional 5% with the prior approval of Board of Insurer. All exposure norms applicable to group, promoter group shall be applicable to all investments made in a Housing Finance Company

10. Returns to be submitted by an Insurer

Every insurer shall submit to the Authority the following returns (in physical / electronic mode) within such time, at such intervals duly verified/certified in the manner as indicated there against.

No	Form	Description	Periodicity of Return	Time limit for submission	Verified / Certified by
1	Form 1	Statement of Investment and Income on Investment	Quarterly	Within 30 days of the end of the Quarter	Principal Officer / Chief of Investment / Chief of (Finance)
2	Form 2 (Part A, B, C)	Statement of Downgraded Investments, Details of Rated Instruments	Quarterly	Within 30 days of the end of the Quarter	Principal Officer / Chief of Investment / Chief of (Finance)
3	Form 3A (Part A, B, C, D,E)	Statement of Investments Assets (Life Insurers)	Quarterly	Within 30 days of the end of the Quarter	Principal Officer / Chief of Investment / Chief of (Finance)
4	Form 3B (Part A, B)	Statement of Investment Assets (General Insurer including an insurer carrying on business of re-insurance or health insurance)	Quarterly	Within 30 days of the end of the Quarter	Principal Officer / Chief of Investment / Chief of (Finance)
5	Form 4 (Part A)	Exposure / Prudential and other Investment Norms – Compliance Certificate	Quarterly	Within 30 days of the end of the Quarter	Principal Officer, Chief of (Investments), Chief of (Finance) Chief Risk Officer
6	Form 4 (Part B)	Internal / Concurrent Auditor's Certificate on Investment Risk Management Systems - Implementation Status	Quarterly	Within 30 days of the end of the Quarter	Internal / Concurrent Auditor appointed under this regulation
7	Form 4A (Part A, B, C,D)	Statement of Investment Subject to Exposure Norms – Investee Company, Group, Promoter Group, Industry Sector	Quarterly	Within 30 days of the end of the Quarter	Principal Officer / Chief of Investment / Chief of (Finance)
8	Form 5	Statement of Investment Reconciliation	Quarterly	Within 30 days of the end of the Quarter	Principal Officer / Chief of Investment / Chief of (Finance)
9	Form 6	Certificate under Sec 27A (5)	Quarterly	Within 30 days of the end of the Quarter	Chairman, Director 1, Director 2, Principal Officer
10	Form 7	Statement of Non-Performing Assets	Quarterly	Within 30 days of the end of the Quarter	Principal Officer / Chief of Investment / Chief of (Finance)

Note:

1. The Internal / Concurrent Audit Report of the previous quarter with comments of Audit Committee of the Board, on 'very serious', 'serious' points (as per the Guidance note on Internal / Concurrent Audit of Investment functions of Insurance Companies, issued by the Institute of Chartered Accountants of India) in the report, and status of implementation of Audit committee recommendation shall be filed with the Authority along with current quarter returns
2. All returns for the quarter ending March shall be filed within the period stipulated above based on provisional figures and later re-submitted with Audited figures within 15 days of adoption of accounts by the Board of Directors.

11. Power to call for additional information

The authority may, by general or special order, require from the insurers such other information in such manner, intervals and time limit as may be specified therein.

12. Duty to Report extraordinary events affecting the investment portfolio

Every insurer shall report to the Authority forthwith, the effect or the probable effect of any event coming to its knowledge, which could have material adverse impact on the investment portfolio and consequently on the security of policy-holder benefits or expectations.

13. Provisions on Investment Management**A. Constitution of Investment Committee**

1. Every insurer shall constitute an Investment Committee which shall consist of a minimum of two non-executive directors of the Insurer, the Chief Executive Officer, Chief of Finance, Chief Risk Officer, Chief of Investment division, and the Appointed Actuary. The Board of the Insurer shall ensure that Chief of Finance, Chief of Investment and the Chief Risk Officer, shall fulfil the minimum qualification requirements specified in the regulations / guidelines issued by the Authority. The decisions taken by the Investment Committee shall be recorded and be open to inspection by the officers of the Authority.

B. Investment Policy

1. Every Insurer shall draw up, an Investment Policy (IP) (fund wise IP in the case of Unit Linked Insurance Business) and place the same before its Board of Directors for its approval.
2. Every insurer shall have a model code of conduct to prevent insider / personal trading of Officers involved in various levels of Investment Operations in compliance with SEBI (Prohibition of Insider Trading) Regulation, 1992 as amended from time to time and place the same before its Board of Directors for its approval.
3. While framing the Investment Policy, the Board shall ensure compliance with the following:

- (i) Issues relating to liquidity, prudential norms, exposure limits, stop loss limits including securities trading, management of all investment risks, management of assets liabilities mismatch, Scope of Internal or Concurrent audit of Investments, criteria form empanelment and review of investment brokers, investment statistics and all other internal controls of investment operations, the provisions of the Insurance Act, 1938 and IRDAI (Investment) Regulations, Guidelines and Circulars made there under
- (ii) Ensuring adequate return on policyholders and shareholders' funds consistent with the protection, safety and liquidity of such fund(s).

4. The investment policy of Life, General Insurer including an insurer carrying on business of re-insurance or health insurance, as approved by the Board shall be implemented by the investment committee. The Board shall review on a quarterly basis the monitoring of fund wise and in respect of each product (both participating and non-participating products in the case of life insurers) the following minimum:

(a) Life Insurers:

- i. new business scale planned versus actual at the end of the period 1 to maturity
- ii. expenses projected versus actual
- iii. persistency / renewal premium streams projected versus actual
- iv. claims - projected versus actual
- v. actual yield versus projected yield or returns
- vi. action plan and follow up status

(b) General Insurer including an insurer carrying on business of re-insurance or health insurance (at line of business level):

- i. gross level of premium income projected vs actual along with reasons for negative growth if any
- ii. steps to correct the business achieved as planned in case of under achievement of gross written premium
- iii. underwriting results planned vs achieved along with reasons for negative deviations
- iv. claims outgo projected versus actual - major reasons for increase / decrease in loss ratio and corrective steps planned for future
- v. expenses including acquisition cost planned vs actuals- in case of excess over permitted limits, reasons for such excess along with plan to comply limits
- vi. overall incremental investments projected vs actual - reason for deviation from the planned accretion and steps planned to correct the trend if the same is negative

5. The Board shall review the investment policy and its implementation on a half-yearly basis or at such short intervals as it may decide and make such modification to the investment policy as is necessary to bring it in line with the investment provisions laid down in the Act and Regulations made there under, keeping in mind protection of policyholders' interest and pattern of investment laid down in these regulations or in terms of the agreement entered into with the policyholders in the case of unit linked insurance business.

C. Investment Operations

1. The funds of the insurer shall be invested and continued to be invested in equity shares, equity related instruments and debt instruments rated as per Note below Regulations 4 to 8 by a credit rating agency, registered under SEBI (Credit Rating Agencies) Regulations, 1999. The Board shall lay down norms for investing in 'Other Investments' as specified in section 27A(2) of the Insurance Act, 1938 by the investment committee, taking into account the safety and liquidity of the policyholders' funds and protection of their interest.
2. As required under Chapter II, Regulation 7 (3) (b) of IRDAI (Registration of Indian Insurance Companies) Regulations, to ensure proper internal control of investment functions and operations the insurer shall clearly segregate the functions and operations of front, mid and back office (as provided in the Guidance note on Internal / Concurrent Audit of Investment functions of Insurance Companies issued by the Institute of Chartered Accountants of India) and no function falling under Front, Mid and Back Office Investment function(s), shall be outsourced. Also, the primary data server of the computer application used for investment management shall remain within the country.
3. The Board of the Insurer shall appoint a Custodian to carry out the custodial service for its Investments, who shall not be an entity under its promoter 'Group' unless permitted otherwise by the Authority.

D. Risk Management Systems and its Review

1. The Board shall implement the Investment Risk Management Systems and Process, mandated by the Authority. The implementation shall be certified by a Chartered Accountant firm, as per the procedure laid down in the "Guidance note on Review and Certification of Investment Risk Management Systems and Process of Insurance Companies", issued by the Institute of Chartered Accountants of India, as amended from time to time.
2. The Investment Risk Management Systems and Process shall be reviewed once in two financial years or such shorter frequency as decided by the Board of the Insurer (the gap between two such audits should not be more than two years), by a Chartered Accountant firm and file the certificate issued by such Chartered Accountant, with the Authority along with the first quarter returns.
3. The appointment of Chartered Accountant firm to certify implementation and review of Investment Risk Management Systems and Process shall be as per the circular issued under these regulations.

E. Audit and Reporting to Management

1. Every Insurer shall constitute an Audit Committee of the Board, headed by an individual, as per the IRDAI Corporate Governance Guidelines and such person, shall not be the Chairman of Investment Committee.
2. The Insurer shall have the investment transactions covering both Shareholders and Policyholders funds be audited through Internal or Concurrent Auditor as per the circular issued under this regulation.
3. The quarterly internal / concurrent audit report, covering investments of both shareholders as well as policyholders, shall be as per the "Guidance note on Internal / Concurrent Audit of Investment functions of Insurance Companies" issued by the Institute of Chartered Accountants of India, as amended from time to time.
4. The Details of Investment Policy, implementation status of Investment Risk Management Systems and Process or its review shall be made available to the internal or concurrent auditor. The auditor shall comment on implementation status, review and its impact on the investment operations, systems and process in their report to be placed before the Board's Audit Committee.
5. The Statutory Auditor of the Insurer shall, on a quarterly basis, confirm compliance to Regulation 13(B)(4)(a,b) and such confirmation, shall be filed by the insurer along with periodical investment returns.

F. Category of Investments

1. Every Insurer shall invest its controlled fund as defined under Section 27A / all assets as defined under Section 27(2) of the Insurance Act, 1938 as amended from time to time, only within the exhaustive category of investments listed in the guidelines issued by the Authority.

G. Others

1. The Authority may call for further information from time to time from the insurer as it deems necessary and in the interest of policyholders and issue such directions to the insurers as it thinks fit

14. Miscellaneous.

1. Accounting of Investments shall be as per the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations and Valuation of Assets shall be as per guidelines issued under these regulations from time to time.
2. The Board of the Authority may, by any general or special order, modify or change the application of regulations (4), (5), (6), (7), (8), (9) and (10) to any insurer either on its own or on an application made to it.

15. Dealing in Financial Derivatives

1. Every Insurer carrying on the business of life insurance or general insurance or health insurance business may deal in financial derivatives only to the extent permitted and in accordance with the guidelines issued by the Authority in this regard from time to time.

16. Repeal and Savings

- (a) On and from the commencement of these regulations, the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 shall stand superseded
- (b) In respect of anything done or omitted to be done or omitted to be done prior to the commencement of these regulations, they shall continue to be governed by Insurance Regulatory and Development Authority (Investment) Regulations, 2000

17. Power to remove difficulties and issue clarifications

In order to remove any doubts or the difficulties that may arise in the application or interpretation of any of the provisions of these regulations, the Chairperson of the Authority may issue appropriate clarifications or guidelines as deemed necessary

Schedule I**Life insurers**

(See Regulation 4 to 7)

A. List of Approved Investments

'Approved Investments' as per Regulation 3 (a) shall fulfil the following criteria:

1. debentures referred under Regulation 3 (a) (1) shall fulfill the criteria mentioned therein for five years immediately preceding or for at least five out of the seven years immediately preceding on such or similar debentures issued by it;
2. debentures referred under Regulation 3 (a) (3) shall fulfill the criteria therein for five years immediately preceding or for at least five out of the seven years immediately preceding;

B. Processing of Unit Linked Business Application and Declaration of NAV

Every Unit linked segregated fund(s), shall be identified by its Segregated Fund Identification Number [SFIN] and shall follow the guidelines issued by the Authority.

1. All applications received for premium payment, switches, redemption, surrender, maturity claim etc., should be time stamped and dated.

2. Applications for "premium payment"

1. for applications received, with local cheques, cash or demand draft payable at par at the place where the premium is received, **before cut-off time** (3.00 pm) on a business day, the applicable NAV would be the closing NAV of the same day.

2. for applications received, along with local cheques, cash or demand draft payable at par at the place where the premium is received, **after cut-off time** (3.00 pm) on a business day, the applicable NAV would be the closing NAV of the **next business day**.
3. for premiums received with an outstation cheque or demand draft, the closing NAV of the day on which the cheque / Demand Draft is **realized** shall be applied.

3. Applications for “other than” premium payment

1. for applications received **before the cut-off time** (3.00 pm) on a business day, the applicable NAV would be the closing NAV of the **same day**.
2. for applications received, **after the cut-off time** (3.00 pm) on a business day, the applicable NAV would be the closing NAV of the **next business day**.

4. Daily disclosure / reconciliation of Product and Fund information

- a. Every insurer doing Unit linked business shall reconcile, **through the system**, the premium received (net of charges and benefits paid) under each product (Unique Identification Number – UIN) with value of all the segregated fund(s) (Segregated Fund Identification Number – SF IN) net of fund management charges, held under a single UIN, **on a day to day basis**, as per Form D01.
- b. The insurer, through a portal, shall enable the policyholder to know, through a secured login (i) the value of policy wise units held by him, as per Form D02 and (ii) fund wise NAV (SFIN wise) on both the Insurer’s website and life council website on the same day.

Disclosure format

No	Format	Description	Frequency
01	Form D01	Daily reconciliation of ULIP portfolio	End of the Day (not to be filed with Authority)
02	Form D02	Statement of Product Value	Enable through secured login to individual policyholder
03		Portfolio Disclosure	The minimum information, as per guidelines / circular issued, on a monthly basis

- c. The internal / concurrent Auditor shall report on the automated system and process to handle the UIN wise reconciliation (as in point ‘a’ above) and value of policy wise units held by policyholder and fund wise NAV, on a quarterly basis

5. Applicable NAV for the applications received on the last business day of the Financial Year

- a. for applications received on the last business day of the financial year **UP TO** 3.00 pm shall be processed with NAV of the last business day (irrespective of the payment instrument is local or outstation)
- b. for applications received **AFTER** 3.00 pm on the last business day, the same shall fall into the next Financial Year and NAV of the immediate **next business day** would be applicable.
- c. The insurer shall declare NAV for the last business day of a Financial Year, even if it is a non-business day.

6. For allotment of units, the applicable NAV shall be as per the date of commencement of policy for new policy contracts and date of receipt of premium for renewals.

- a. For allotment of units to a new policy contract, the NAV shall be applicable as at the date of commencement of the policy contract. The premium in such case shall have to be received on or before the date of commencement of policy contract.
- b. For renewals of existing policy contract, the NAV shall be applicable as at the date of renewal where the date of receipt of premium is on or before due date and as at the date of receipt of premium where the premium is received after the due date of renewal.
- c. For revivals, the date of revival shall be the reference date for application of NAV through allotment of units.

- d. *The date of receipt of premium for reasons such as top-up or any other provision for payment of premium apart from regular payment schedule as approved by the Authority through 'File & Use', application shall be the reference date for application of NAV*
7. *The Insurer's Policy Admin System (PAS) shall be 'automated' for tracking 'policy-wise', information of discontinued policies along with the information of the particular ULIP fund to which the same pertains.*
8. *Asset allocation and exposure norms for a segregated fund shall not apply for either the first six months from the date of its launch or the segregated fund reaches the size of Rs.5 Crores, for the first time, whichever is earlier. On expiry of the sixth month, every such segregated fund, shall comply with all exposure norms under Regulation 9. Where in case of a segregated fund, has gone below Rs.5 Crores, the insurer may provide a free switch, after informing the policyholder, to another fund with similar fund objective / risk profile with either same or lower fund management charges*
9. *Where any segregated fund (other than discontinued policy fund under unit linked business) invest in either Mutual Fund, Exchange Traded Fund (excluding CPSE ETF) or Bank Fixed Deposit (for a period less than 91 days at the time of placing the investment), the value of funds invested therein, shall be reduced for computing the fund management charges (FMC). This provision shall not be applicable for either the first six months from the date of launch of the segregated fund or the segregated fund reaches the size of Rs.5 Crores, for the first time, whichever is earlier.*
10. *In the case of discontinued policy fund, investment in treasury bills will be treated as part of Central Government Securities.*
11. *All Insurers shall file a certificate, issued by Internal / Concurrent Auditor for compliance of the following:*
 - a. *compliance to all exposure norms at the level of each segregated fund, on a quarterly basis*
 - b. *the value of funds invested in Mutual Fund, Exchange Traded Fund or Bank Fixed Deposit (for a period less than 91 days) had been reduced in FMC calculation, on a quarterly basis*
 - c. *each of the directions issued at point 5 above, regarding the applicable NAV for applications received on the last business day*
 - d. *the Statutory Auditors shall also confirm point 'c' above, in the Annual Accounts.*

Note:

1. **Business day** shall mean days other than holidays where stock exchanges (excluding Muhurat trading day) with national wide terminals are open for trade (other than day on which exchanges are open for testing) or any day declared by the Authority as business day.
2. *The insurer shall invest only in such investments for which the day-to-day Valuations are available and readily realisable. No investment can be made in any Fund of Funds or a fund for which NAV is not available on a day-to-day basis.*

C. Fund Management

1. *In the case of (a) Life fund, (b) Pension, Annuity & Group funds, the insurer shall maintain separate sub-custody account with identifiable securities for participating and non-participating funds.*
2. *Every insurer shall have a separate fund manager for debt and equity up to a fund size (for both shareholder and policyholder funds taken together) of Rs. 10000 Crores. When the fund size, for the first time, is Rs.10000 Crores, every fund [(a) Life fund (b) Pension, Annuity & Group fund (c) Unit linked segregated fund(s)] shall have identifiable fund manager. No fund manager can be common between (a) Life fund, Pension & Group fund and (b) Unit linked fund(s)*

Schedule II**General Insurer including an insurer carrying on business of re-insurance or health insurance****(See Regulation 8)****A. List of Approved Investments**

'Approved Investments' as per Regulation 3 (a) shall fulfil the following criteria:

1. debentures referred under Regulation 3 (a) (1) shall fulfill the criteria mentioned therein for three years immediately preceding or for at least three out of five years immediately preceding on such or similar debentures issued by it;
2. debentures referred under Regulation 3 (a) (3) shall fulfill the criteria therein for three years immediately preceding or for at least three out of five years immediately preceding;

B. Policyholders' Funds

Policyholders funds shall be the sum of (1) Estimated liability for Outstanding Claims including Incurred but not Reported (IBNR) & Incurred but not Enough Reported (IBNER) (2) Unexpired Risk Reserve (URR) (3) Catastrophe Reserve (4) Premium Deficiency (5) Other liabilities **net off** Other Assets

Note: Other Liabilities in point B(5) above, comprise of (i) Premium received in advance (ii) Unallocated premium (iii) Balance due to other Insurance Companies (iv) Due to others members of Third Party Pool (IMTPIP), if applicable (v) Sundry creditors (due to Policyholders).

Other Assets in point B(5) above comprise of (i) Outstanding premium (ii) Due from other entities carrying on Insurance business including Re-insurers (iii) Balance with terrorism pool (if applicable) (iv) Balance with Motor Third Party Pool if any (if applicable)

C. Shareholders' Funds

Shareholders' funds comprise of Share Capital plus all Reserves and Surplus (except Revaluation Reserve and fair value change account) as at the Balance Sheet date, represented by investments of funds held in business beyond solvency margin

D. Applicability of Pattern of Investment

Where an Insurer, hold the entire investment assets, as per Regulation 2 (i) for and behalf of the Policyholders, the pattern of investment shall apply to the entire investment assets (both shareholder and policyholders funds taken together) and the investment assets can be maintained in a single custody account.

E. Miscellaneous

The mandatory minimum investment in Housing and Infrastructure as per Regulation 8, will not apply for Health Insurers

T.S. VIJAYAN, Chairman

[ADVT. III /4/Ext/200(166)]

FORM - 1

(Read with Regulation 10)

Name of the Insurer:

Registration Number:

Statement as on:

Name of the Fund

Statement of Investment and
Income on Investment

Periodicity of

Submission:

Quarterly

Rs Crore

No.	Category of Investment	Category Code	Current Quarter				Year to Date (current year)				Year to Date (previous year) ³			
			Investment (Rs.) ¹	Income on Investment (Rs.)	Gross Yield (%) ¹	Net Yield (%) ²	Investment (Rs.) ¹	Income on Investment (Rs.)	Gross Yield (%) ¹	Net Yield (%) ²	Investment (Rs.) ¹	Income on Investment (Rs.)	Gross Yield (%) ¹	Net Yield (%) ²

TOTAL**CERTIFICATION**

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

Signature _____

Date:

Full Name

Authorised Signatory

Note: Category of Investment (COI) shall be as per Guidelines, as amended from time to time

1 Based on daily simple Average of Investments

2 Yield netted for Tax

3 In the previous year column, the figures of the corresponding Year to date of the previous financial year shall be shown

FORM-1 shall be prepared in respect of each fund. In case of ULIP FORM 1 shall be prepared at Segregated Fund (SFIN) level and also at consolidated level.

5 YTD Income on investment shall be reconciled with figures in P&L and Revenue account

FORM - 2

(Read with Regulation 10)

PART - A

Name of the Insurer:

Registration Number:

Statement as on:

Name of Fund

Statement of Down Graded Investments

Periodicity of Submission: Quarterly

Rs Crore

No	Name of the Security	COI	Amount	Date of Purchase	Rating Agency	Original Grade	Current Grade	Date of last Downgrade	Remarks
A.	<u>During the Quarter ¹</u>								
B.	<u>As on Date ²</u>								

CERTIFICATION

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

Signature _____

Date:

Full Name and Designation

Authorised Signatory

1 Provide details of Down Graded Investments during the Quarter.
2 Investments currently upgraded, listed as Down Graded during earlier Quarter shall be deleted from the Cumulative listing.
3 FORM-2 shall be prepared in respect of each fund. In case of ULIP FORM 2 shall be prepared at Segregated Fund (SFIN) level and also at consolidated level.
4 Category of Investmet (COI) shall be as per Guidelines issued by the Authority

PART - B

Rs.Crore

[illegible]

	(4)Investment Property - Immovable																	
	(5)Mutual Fund																	
	(6)Money Market																	
	(7)Net current assets																	
	(8)Others (Specify)																	
iv	Other Investments																	
	(1)Debt instruments																	
	(2)Equity instruments																	
	(3)Loans																	
	(4)Investment Property - Immovable																	
	(5)Mutual Fund																	
	(6)Others (specify)																	
Investment Assets																		

Rs. Cr

Investment in 'Debt' instruments	Book Value (Life, Penison Fund and General Insurers)	Market Value (for ULIP Funds)	%
Investments in Sovereign instruments			
APPROVED INVESTMENTS			
AAA			
AA+ upto AA or Equivalent			
MM, Loans, Others - Approved Invt			
OTHER INVESTMENTS			
AA-,A, lower than A or Equivalent			
Unrated, Loans, Others - Other Invt			

Total Debt Investments
(Column [a] to [g])

Certification

Certified that the information given herein are correct and complete to the best of my knowledge. Also certified that the various investments made and covered in the return are **within** the categories provided in Investment Guidelines as amended from time to time.

Signature: _____

Full name:

Authorised Signatory

Note:

- The figures in Col (i) must match (for each type of investment) with Form 3A (Part A)/Form 3B*
- Non-Performing investment assets shall be separately shown irrespective of the rating*
- For Linked business values of Investments shall be at Market Value*
- Equity shall be as permitted under IRDAI (Investment Regulations, 2016 as amended from time to time)*
- FORM - 2 (Part B) shall be prepared in respect of each fund. In case of ULIP Form 2 shall be prepared at Segregated Fund (SFIN) level and also at consolidated level.*

FORM - 2

(Read with Regulation 10)

Name of the Insurer:

Registration No:

INVESTMENT ASSETS & INFRA INVESTMENTS - RATING PROFILE

PART - C

Name of the Fund _____

SECTION - 1

INVESTMENT ASSETS	Rs Crore	% to Inv. Assets
Central Govt. Sec + Other Approved Securities		
TOTAL (1)		
Approved Investments		
AAA or upto AA or Equivalent		
Equity - Approved Invt		
MM, Loans, Others - Approved Invt		
TOTAL (2)		
Other Investments		
AA-, A, lower than A or Equivalent		
Equity - Other Invt		
Unrated, NPA, Loans, Others - Other Invt		
TOTAL (3)		
TOTAL FUND (1+2+3)		
SECTION - 2		
INFRASTRUCTURE INVESTMENTS		
Approved Investments		
AAA or upto AA or Equivalent		
Equities-Approved		
MM, Loans, Others-Approved Invt		
TOTAL (i)		
Other Investments		
AA-,A, lower than A or Equivalent		
Equities-Other Investments		

Loans, NPAs, Others - Other Invt		
TOTAL (ii)		
Total Infra Investment (i + ii)		

Certification

Certified that the information given herein are correct and complete to the best of my knowledge. Also certified that the various investments made and covered in the return are **within** the categories provided in Investment Guidelines as amended from time to time.

Signature: _____

Full name: _____

Authorised Signatory _____

Note:

1. The figures must match (for each type of investment) with Form 3A (Part A)/Form 3B

2. FORM - 2 (Part C) shall be prepared in respect of life fund

FORM - 3A**(Read with Regulation 10)****Name of the Insurer:****Registration Number:****PART - A****Statement as on:****Statement of Investment Assets (Life Insurers)****(Business within India)****Periodicity of Submission: Quarterly***Rs. Crore***Section I**

No	PARTICULARS	SCH	Amount
1	Investments (Shareholders)	8	
	Investments (Policyholders)	8A	
	Investments (Linked Liabilities)	8B	
2	Loans	9	
3	Fixed Assets	10	
4	Current Assets		
	a. Cash & Bank Balance	11	
	b. Advances & Other Assets	12	
5	Current Liabilities		
	a. Current Liabilities	13	
	b. Provisions	14	
	c. Misc. Exp not Written Off	15	
	d. Debit Balance of P&L A/c		

**Application of Funds
as per Balance Sheet**

0**Reconciliation of Investment Assets**

Total Investment Assets (as per Balance Sheet)

Balance Sheet Value of:

A. Life Fund

B. Pension & General Annuity and Group Business

C. Unit Linked Funds

0

(A)

	Less: Other Assets	SCH	Amount
1	Loans (if any)	9	
2	Fixed Assets (if any)	10	
3	Cash & Bank Balance (if any)	11	
4	Advances & Other Assets (if any)	12	
5	Current Liabilities	13	
6	Provisions	14	
7	Misc. Exp not Written Off	15	
8	Investments held outside India		
9	Debit Balance of P&L A/c		

TOTAL (B) 0

Investment Assets (A-B) 0

Section II

NON - LINKED BUSINESS

A. LIFE FUND			% as per Reg	SH		PH			Book Value (SH+PH)	Actual %	FVC Amount	Total Fund	Market Value
				Balance	FR SM +	UL-Non Unit Res	PA R	N O N PA R					
				(a)	(b)	(c)	(d)	(e)					
1	Central Govt. Sec		Not Less than 25%						(f) = [a+b+c+d+e]	(g) = [(f) - (a)] %	(h)	(i)=(f+h)	(j)
2	Central Govt Sec, State Govt Sec or Other Approved Securities (incl (1) above)		Not Less than 50%										
3	Investment subject to Exposure Norms												
	a.	Infrastructure/ Social/ Housing Sector	Not Less than 15%										
		1. Approved Investments											
		2. Other Investments											
	b.	i) Approved Investments	Not exceeding 35%										
		ii) Other Investments											

TOTAL LIFE FUND 100%

B. PENSION & GENERAL ANNUITY AND GROUP BUSINESS			% as per Reg	PH		Book Value	Actual %	FVC Amount	Total Fund	Market Value
				PA R	N O N PA R					
				(a)	(b)	(c)=(a+b)	(d)	(e)	(f)=(c+e)	(g)
1	Central Govt. Sec		Not Less than 20%							
2	Central Govt Sec, State Govt Sec or Other Approved Securities (incl (1) above)		Not Less than 40%							
3	Balance in Approved investment		Not Exceeding 60%							

TOTAL PENSION, GENERAL ANNUITY FUND

100%

LINKED BUSINESS

C. LINKED FUNDS			% as per Reg	PH		Total Fund	Actual %
				PA R	N O N PA R		
				(a)	(b)	(c)=(a+b)	(d)
1	Approved Investments		Not Less than 75%				
2	Other Investments		Not More than 25%				

TOTAL LINKED INSURANCE FUND

100%

CERTIFICATION:

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

Signature: _____

Date:

Full name:

Authorised Signatory

Note:

1 (+) FRSM refers to 'Funds representing Solvency Margin'

2 Funds beyond Solvency Margin shall have a separate Custody Account.

3 Other Investments shall be as permitted as per Sec 27A (2) of Insurance Act, 1938 as amended from time to time

4 Pattern of Investment is applicable to both Shareholders funds representing solvency margin and policyholders funds.

5 Exposure Norms shall apply to Funds held beyond Solvency Margin, held in a separate Custody Account

FORM 3A

(Read with Regulation 10)

Unit Linked Insurance Business

PART - B

Name of the Insurer:

Registration Number:

[Link to Item 'C' of FORM 3A \(Part A\)](#)

Periodicity of Submission: Quarterly

Statement as on:

Rs. Crore

PARTICULARS	SFIN 1	SFIN 2	SFIN 'n'	Total of All Funds
Opening Balance (Market Value)				
Add: Inflow during the Quarter				
Increase / (Decrease) Value of Inv [Net]				
Less: Outflow during the Quarter				

TOTAL INVESTIBLE FUNDS (MKT VALUE)

INVESTMENT OF UNIT FUND	SFIN 1		SFIN 2		SFIN 'n'		Total of All Funds	
	Actual Inv.	% Actual	Actual Inv.	% Actual	Actual Inv.	% Actual	Actual Inv.	% Actual
Approved Investments (>=75%)								
<i>Central Govt Securities</i>								
<i>State Government Securities</i>								
<i>Other Approved Securities</i>								
<i>Corporate Bonds</i>								
<i>Infrastructure Bonds</i>								
<i>Equity</i>								
<i>Money Market Investments</i>								
<i>Mutual funds</i>								
<i>Deposit with Banks</i>								

Sub Total (A)

Current Assets:								
<i>Accrued Interest</i>								
<i>Dividend Recievable</i>								
<i>Bank Balance</i>								
<i>Receivable for Sale of Investments</i>								
<i>Other Current Assets (for Investments)</i>								
Less: Current Liabilities								
<i>Payable for Investments</i>								
<i>Fund Mgmt Charges Payable</i>								
<i>Other Current Liabilities (for Investments)</i>								

Sub Total (B)

Other Investments (<=25%)								
<i>Corporate Bonds</i>								
<i>Infrastructure Bonds</i>								
<i>Equity</i>								
<i>Mutual funds</i>								
<i>Others</i>								

Sub Total (C)**Total (A + B + C)****Fund Carried Forward (as per LB 2)****Signature:****Date :****Full name:****Authorised Signatory****Note:**

1. The aggregate of all the above Segregated Unit-Funds should reconcile with item C of FORM 3A (Part A), for both Par & Non Par Business
2. Details of Item 12 of FORM LB 2 which forms part of IRDA (Acturial Report) Regulation, 2000 shall be reconciled with FORM 3A (Part B).
3. Other Investments' are as permitted under Sec 27A(2)

FORM - 3A**(Read with Regulation 10)****Name of the Insurer:****Registration Number:****PART - C****Link to FORM 3A (Part B)****Statement for the period:****Periodicity of Submission: Quarterly****Statement of NAV of Segregated Funds***Rs.Crore*

No	Fund Name	SFIN	Date of Launch	Par/Non Par	Assets Under Management on the above date	NAV as per LB 2	NAV as on the above date*	Previous Qtr NAV	2nd Previous Qtr NAV	3rd Previous Qtr NAV	4th Previous Qtr NAV	Return/Yield	3 Year Rolling CAGR	Highest NAV since inception
1	Segregated Fund 1													
2	Segregated Fund 2													
3	Segregated Fund n													
Total														

CERTIFICATION

Certified that the performance of all segregated funds have been placed and reviewed by the Board. All information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

DATE :**Signature:****Full name:****Authorised Signatory**

Note:

- * NAV should reflect the published NAV on the reporting date
- NAV should be upto 4 decimal

FORM - 3A**(Read with Regulation 10)****PART - D****Name of the Insurer:****Registration Number:****Link to FORM 3A (Part A)****Statement as on:**

Statement of Accretion of Funds

*(Business within India)**Rs.Crore*

Periodicity of Submission : Quarterly

No	Category of Investments	POI	Opening Balance	% to Total (A)	Net Accretion for the Qtr.	% to Total Accretion	TOTAL	% to Total (1+2)
			(1)		(2)		(1+2)	
A	LIFE FUND							
1	Central Govt. Sec	Not less than 25%						
2	Central Govt Sec, State Govt Sec or Other Approved Securities (incl (1) above)	Not less than 50%						
3	Investment subject to Exposure Norms							
	a. Housing & Infrastructure	Not less than 15%						
	1. Approved Investments							
	2. Other Investments							
	b. (i) Approved Investments	Not exceeding 35%						
	(ii) Other Investments (Not to exceed 15%)							
Total (A)								

No	Category of Investments	POI	Opening Balance	% to Total (B)	Net Accretion for the Qtr.	% to Total Accretion	TOTAL	% to Total (1+2)
			(1)		(2)		(1+2)	
B	PENSION & GENERAL ANNUNITY AND GROUP BUSINESS							
1	Central Govt. Sec	Not less than 20%						
2	Central Govt Sec, State Govt Sec or Other Approved Securities (incl (1) above)	Not less than 40%						
3	Balance in Approved investment	Not exceeding 60%						
Total (B)								

No	Category of Investments	POI	Opening Balance	% to Total (C)	Net Accretion for the Qtr.	% to Total Accretion	TOTAL	% to Total (1+2)
			(1)		(2)		(1+2)	
C	LINKED FUNDS							
1	Approved Investments	Not less than 75%						

2	Other Investments	Not more than 25%					
Total (C)		100%					

CERTIFICATION

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

Date:

Signature:

Full name:

Authorised Signatory

FORM - 3A

(Read with Regulation 10)

PART - E

Name of the Insurer:

Registration Number:

Statement as on:

Statement of Investment Details of ULIP Products to Segregated Funds

(Business within India)

Rs.Crore

Periodicity of Submission : Quarterly

INVESTMENT DETAILS OF "ULIP" PRODUCTS [UIN]TO SEGREGATED FUNDS [SFIN]				
Inflow	UIN1	UIN2	UIN n	Total UIN '1' to 'n'
Premium				
Others (Specify)				
TOTAL (A)				
Outflow				
Commission				
Charges				
Claims				
Others				
TOTAL (B)				
Total C = (A-B)				
Policy Funds at "C" above allotted to				

SFIN 1				
SFIN 2				
SFIN n				
TOTAL (D)				
Difference (if any) E = (C-D)				

CERTIFICATION

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

Date:

Signature:

Full name:

Authorised Signatory

Note:

1. UIN represents the Unique product number as per 'file and use' approved under ULIP products
2. SFIN represents the Segregated Fund Identification Number as approved by the Product Approval Committee

FORM - 3B

(Read with Regulation 10)

Name of the Insurer:

Registration Number:

Statement as on:

PART - A

Statement of Investment Assets (General Insurer including an insurer carrying on business of re-insurance or health insurance) (*Business within India*)

Rs. Crore

Periodicity of Submission: Quarterly

Section I

No	PARTICULARS	SCH ++	AMOUNT
1	Investments	8	
2	Loans	9	
3	Fixed Assets	10	
4	Current Assets		
	a. Cash & Bank Balance	11	
	b. Advances & Other Assets	12	

5	Current Liabilities		
	a. Current Liabilities	13	
	b. Provisions	14	
	c. Misc. Exp not Written Off	15	
	d. Debit Balance of P&L A/c		

Application of Funds as per Balance Sheet (A) **0**

	Less: Other Assets	SCH ++	Amount
1	Loans (if any)	9	
2	Fixed Assets (if any)	10	
3	Cash & Bank Balance (if any)	11	
4	Advances & Other Assets (if any)	12	
5	Current Liabilities	13	
6	Provisions	14	
7	Misc. Exp not Written Off	15	
8	Investments held outside India		
9	Debit Balance of P&L A/c		

Total **TOTAL** **0**
(B)
'Investment Assets' **(A-B)** **0**
As per FORM 3B

Section II

No	'Investment' represented as	Reg. %	SH		PH	Book Value (SH + PH)	% Actual	FVC Amount	Total	Market Value (h)
			Balance	FRSM ⁺						
			(a)	(b)	(c)	d = (a+b+c)	e = (d-a) %	(f)	(g)=(d+f)	
1	Central Govt. Securities	Not less than 20%								
2	Central Govt Sec, State Govt Sec or Other Approved Securities (incl (1) above)	Not less than 30%								
3	Investment subject to Exposure Norms									
	a. Housing / Infra & Loans to SG for Housing and FFE	Not less than 15%								

	1. Approved Investments								
	2. Other Investments								
	b. Approved Investments	Not exceeding 55%							
	c. Other Investments								

Investment Assets 100%

Certification:

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

Date:

Signature:

**Full
name:
Authorised Signatory**

- Note:*
1. (+) FRSM refers 'Funds representing Solvency Margin'
 2. Other Investments' are as permitted under 27A(2)
 3. Pattern of Investment is applicable to both Shareholders funds representing solvency margin and policyholders funds.
 4. Exposure Norms shall apply to Funds held beyond Solvency Margin, held in a separate Custody Account
 5. SCH (++) refers to Schedules to Balance Sheet, prepared as per IRDAI (Preparation of Fin. Stmt and Auditors' Report of Ins Companies) Regulations

FORM - 3B

(Read with Regulation 10)

Name of the Insurer:

PART - B

Registration Number:

Statement as on:

Statement of Accretion of Assets

Rs. Crore

(Business within India)

Periodicity of Submission : Quarterly

No	Category of Investments	COI	Opening Balance	% to Opening Balance	Net Accretion for the Qtr.	% to Total Accrual	TOTAL	% to Total
			(A)		(B)		(A+B)	
1	Central Govt. Securities							
2	Central Govt Sec, State Govt Sec or Other Approved Securities (incl (i) above)							

3	Investment subject to Exposure Norms							
	a. Housing & Loans to SG for Housing and FFE							
	1. Approved Investments							
	2. Other Investments							
	b. Infrastructure Investments							
	1. Approved Investments							
	2. Other Investments							
	c. Approved Investments							
	d. Other Investments (not exceeding 15%)							

Total

Certification:

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

Date:

Signature:

Full name:

Authorised

Signatory

Note:

1. Total (A+B), fund wise should tally with figures shown in Form 3B (Part A)

FORM 4
(read with regulation 10)
EXPOSURE / PRUDENTIAL AND OTHER INVESTMENT NORMS – COMPLIANCE
CERTIFICATE

PART A

Insurer Name and Code:

Date: as at:

Section	Norms	Exposure / Other Norms as per Regulation	Are the required Norms complied? (Yes / No)	Remarks
A. "EXPOSURE" COMPLIANCE - ALL INSURERS				
I	Investee Company Exposure	1. Investment in equity, preference shares, convertible debenture:- Exposure at any point of time did not exceed 10% of		

Section	Norms	Exposure / Other Norms as per Regulation	Are the required Norms complied? (Yes / No)	Remarks
		<p>outstanding equity shares (face value) or 10% of the amount under point Regulation 9 (A.1.(a) or A.1.(b) or A.1.(c)[at segregated fund level]considered separately) of this Regulation, in the case of Life insurers / an amount under Regulation 9 (A.2) or (A.3) or (A.4) of this Regulation, in the case of General Insurer including an insurer carrying on business of re-insurance or health insurance whichever is lower.</p> <p><i>[In case of Infrastructure Co, the limit of 10% shall be read as 20%. Where the investment assets of the insurer is Rs. 250000 Crores or more, the limit of 10% shall be read as 15% of outstanding equity shares (face value) or where the investment assets of the insurer is more than Rs.50000 Crores but less than Rs 250,000 Crores the limit of 10% shall be read as 12% of outstanding equity shares (face value)]</i></p> <p>Note: In the case of life insurers, exposure norms for a segregated fund shall not be applicable for either the first six months from the date of its launch or the segregated fund reaches the size of Rs.5 Crores, for the first time, whichever is earlier.</p> <p>2. Investment in Debt/ loans and any other permitted Investments as per Act / Regulation, other than 'Equity', Preference Shares, Convertible Debentures :-</p> <p>Exposure at any point of time did not exceed 10% of the paid-up share capital, free reserves (except revaluation reserve) and debenture / bonds of the investee company or 10% of amount under point Regulation 9 (A.1.(a) or A.1.(b) or A.1.(c)[at segregated fund level] above considered separately) of this Regulation, in the case of Life insurers / an amount under Regulation 9 (A.2) or (A.3) or (A.4) of this Regulation, in the case of General Insurer including an insurer carrying on business of re-insurance or health insurance, whichever is lower.</p>		

Section	Norms	Exposure / Other Norms as per Regulation	Are the required Norms complied? (Yes / No)	Remarks
		<p><i>[In case of Infrastructure Co, the limit of 10% shall be read as 20%. Where the investment assets of the insurer is Rs. 250000 Crores or more, the limit of 10% shall be read as 15% of paid up share capital, free reserves (excluding revaluation reserve) and debenture / bonds or where the investment assets of the insurer is more than Rs.50000 Crores but less than Rs 250,000 Crores the limit of 10% shall be read as 12% paid up share capital, free reserves (excluding revaluation reserve) and debenture / bonds)</i></p> <p>Note: In the case of life insurers, exposure norms for a segregated fund shall not be applicable for either the first six months from the date of its launch or the segregated fund reaches the size of Rs.5 Crores, for the first time, whichever is earlier.</p> <p>3. Has the maximum exposure under limit for a single 'investee' company from all investment assets (Equity / Preference Shares / Convertible Debenture / Debentures/ bonds/ CPs / loans and any other permitted debt Investments as per Act / Regulation), are within the limit prescribed in Regulation 9 (B)(In case of Infrastructure Co, the limit of 10% shall be read as 20%)?</p> <p>4. Has exposure taken based on guarantees of another entity, is considered as a part of exposure to the "investee company"?</p> <p>5. Has debt investments made in infrastructure SPV have complied with the limits, terms and conditions as mentioned in the Note: 4 to Regulation 9?</p> <p>6. Have all the negative deviations reported in FORM 4A (Part A)?</p>		
II	Limit for the entire Group of the Investee	Has total investments made in entire "Group of the Investee Company" is not exceeding:		

Section	Norms	Exposure / Other Norms as per Regulation	Are the required Norms complied? (Yes / No)	Remarks
	Company	<p>1. 15% of the amount under point Regulation 9 (A.1.(a) or A.1.(b) or A.1.(c)[at segregated fund level]above considered separately) of this Regulation, in the case of Life insurers / an amount under Regulation 9 (A.2) or (A.3) or (A.4) of this Regulation, in the case of General Insurer including an insurer carrying on business of re-insurance or health insurance respectively</p> <p>Note: In the case of life insurers, exposure norms for a segregated fund shall not be applicable for either the first six months from the date of its launch or the segregated fund reaches the size of Rs.5 Crores, for the first time, whichever is earlier.</p>		
III	Promoter Group Company	<p>Has total investments made in all “Companies falling under Insurer’s Promoter Group” is:</p> <ol style="list-style-type: none"> not more than 5% in aggregate of its investment assets (as defined in Regulation 2 (i))in all companies belonging to the promoters’ group. not made investments in any companies belonging to the promoters’ group by way of private placement not made any investment in unlisted instruments [equity & debt, certificate of deposits and fixed deposits held in a Scheduled Bank], except for companies formed by Insurers under Note 12 to Regulation 9 		
IV	Industry sector	<p>Has investment made by the insurer in any industrial sector [except Financial and Insurance Activities sector as per National Industrial Classification (All Economic Activities) - 2008]:</p> <ol style="list-style-type: none"> not exceeding 15% of the amount under Regulation 9 (A.1.(a) or A.1.(b) or A.1.(c)[at segregated fund level]considered separately)of this regulation in the case of life insurer /an amount under Regulation 9 (A.2) or (A.3)or (A.4) of this regulation, in the case of General Insurer including an insurer carrying on business of re-insurance or health insurance 		

Section	Norms	Exposure / Other Norms as per Regulation	Are the required Norms complied? (Yes / No)	Remarks
		<p>2. Has the investment made by the insurer in Financial and Insurance Activities sector as per National Industrial Classification (All Economic Activities) – 2008 not exceeded 25% of its total investment assets?</p> <p>3. Has the insurer considered investments in (a) Housing Financing Companies and (b) Infrastructure Financing Companies as a part of exposure to financial and insurance activities (as per Section K of NIC classification – 2008)?</p> <p>Note: investment in bonds / debentures of HUDCO, NHB and bonds issued by Housing Finance Companies <u>which accept public deposit, having a rating of not less than AAA</u>, and investment in Debt, Equity in dedicated infrastructure financing entities forming part of Infrastructure sector are exempt from the above provision</p> <p>4. Is the classification of industrial sectors been done <u>on the lines of</u> National Industrial Classification (All Economic Activities) - 2008 [NIC] <u>for all sectors, except “infrastructure sector”</u>.</p> <p>5. Has exposure been calculated at Division level from A to R of [NIC (All Economic Activities) – 2008] Classification for all sectors other than infrastructure sector?</p> <p>6. Has exposure been calculated for Financial and Insurance Activities sector at Section level [of NIC (All Economic Activities) – 2008]?</p> <p>7. Has no exposure been made into any sector falling beyond Section R [of NIC (All Economic Activities)– 2008]?</p> <p>Note: In the case of life insurers, exposure norms for a segregated fund shall not be applicable for either the first six months from the date of its launch or the</p>		

Section	Norms	Exposure / Other Norms as per Regulation	Are the required Norms complied? (Yes / No)	Remarks
		<i>segregated fund reaches the size of Rs.5 Crores, for the first time, whichever is earlier.</i>		
V	Rating Criteria	<p>1. Are investments under 'Approved Investments' made only in rated instruments, if such instruments are capable of being rated?</p> <p>2. At the time of purchase, are Corporate Bonds rated below AA (A+ with the prior approval of the Board of the Insurer) or its equivalent and A1 or equivalent (in case of short term instruments) classified under "Other Investments"?</p> <p>3. Are instruments downgraded below the minimum rating prescribed under Note 4, 5 & 6 to Regulation 4 to 8 of the IRDA (Investment) Regulation, 2000, as amended from time to time, reclassified under "Other Investments" <u>through an automated System</u>?</p> <p>4. Are 'Debt' instruments (including Central Govt, State Govt Securities and Other Approved Securities) - fund wise, in the case of life insurer (including ULIP funds at segregated fund level) and Investment Assets in the case of General Insurer including an insurer carrying on business of re-insurance or health insurance - have a minimum rating of Sovereign debt, AAA or equivalent rating for long term and Sovereign, A1+ or equivalent for short term instruments, not less than 75%(Life Insurer)/65% (General Insurer including an insurer carrying on business of re-insurance or health insurance)?</p> <p>Note: In calculating the 75% in the case of Life insurers and 65% in the case of General Insurer including an insurer carrying on business of re-insurance or health insurance, of investment in 'Debt' instruments, investment in (a) Reverse Repo with corporate bond underlying (b) Bank Fixed Deposit (c) Investment in Promoter Group Mutual Fund(s) and un-rated Mutual funds, shall not be</p>		

<i>Section</i>	<i>Norms</i>	<i>Exposure / Other Norms as per Regulation</i>	<i>Are the required Norms complied? (Yes / No)</i>	<i>Remarks</i>
		<p><i>considered</i></p> <p>5. Are 'Debt' instruments (including Central Govt Securities, State Govt Securities and Other Approved Securities) – fund wise, in the case of life insure r (including ULIP funds at segregated fund level) and Investment Assets in the case of General Insurer including an insurer carrying on business of re-insurance or health insurance – have a rating of A or below or equivalent rating for long term, are not more than 5% (8% in the case of General Insurer including an insurer carrying on business of re-insurance or health insurance)?</p> <p>6. Are all Debt investments made through Private Placements, rated not less than AA?</p> <p>7. Are exposure in Housing Finance companies, in excess of Regulation 9 (B) (b) [complying with provisions under Note 13 to Regulation 9] have a rating of not less than AA+?</p>		
VI	Others	<p>1. No building, used by the insurer for 'self-use' is classified as 'investment property' and are not par t of 'investment assets' as derived in FORM 3A (Part A) / Form 3B (Part A)</p> <p>2. Has the insurer made any investment in a subsidiary or associate company? If the answer is 'yes' provide details in FORM 4A (Part B)</p> <p>i. Does the subsidiary / associate companies referred in point (2) above, does insurance or re-insurance or health insurance business?</p> <p>ii. Does the business of the subsidiary / associate (referred in point (i) above) of the insurer, does the same line of insurance business, as that of the insurer (holding company)?</p>		

<i>Section</i>	<i>Norms</i>	<i>Exposure / Other Norms as per Regulation</i>	<i>Are the required Norms complied? (Yes / No)</i>	<i>Remarks</i>
		<p>3. Have investment in FDs, not exceeded either 3% of controlled fund or not more than 5% of respective fund size [Pension & General Annuity Fund and Unit linked fund(s) at SFIN level], <u>whichever is lower</u>, in the case of Life Insurers and 15% of Investment Assets as per Regulation 2 (i) (2) in the case of General Insurer including an insurer carrying on business of re-insurance or health insurance</p> <p>4. Has the insurer complied with the empanelment / review of investment broker norms, as per the Board approved criteria and Circulars / Guidelines issued by the Authority?</p> <p>5. Has the Insurer, during the quarter, invested outside India? If yes,</p> <p>i. has the insurer done the Actuarial Valuation to identify shareholders funds and policyholders funds?</p> <p>ii. has the insurer filed the Actuarial Valuation, with the Authority?</p> <p>iii. does both shareholders and policyholders funds have separate sub-custody account?</p> <p>iv. does both shareholder and policyholder funds have identified 'scrips' at sub-custodian level?</p> <p>v. has the investments done outside the country made ONLY from shareholder funds, held in a separate sub-custody account?</p>		
B. "CONFIRMATIONS" - ALL INSURERS				
VII	Confirmations	<p>A. CONFIRMATION ON POLICY / SYSTEMS & PROCEDURE</p> <p>1. Has the Insurer complied with the provisions of Section 27, 27A, 27B and 28 of the Insurance Act, 1938</p> <p>2. Has the software application for Investment</p>		

Section	Norms	Exposure / Other Norms as per Regulation	Are the required Norms complied? (Yes / No)	Remarks
		<p>Operations, been <u>fully automated</u> without <u>manual intervention</u> in calculating the exposure norms of Investee Company, Group, Promoter Group and Industry Sector, as per the various slabs of 'investment assets' provided under Regulation 9 (B)?</p> <p>3. Is the Constitution of the Investment Committee of the Insurer in full compliance with the requirements mentioned under Regulation 13 of Investment Regulation?</p> <p>4. Was none of the functions of the insurer relating to Investment Operations falling either under Front / Mid / Back Office, (covering both Shareholders and Policyholders Investments), outsourced (except to the extent permitted under the Master Circular issued by the Authority, with respect to Outsourcing of Investment Advice and NAV Calculation) including its verification?</p> <p>5. Is Audit Committee headed by an individual, as per the IRDA Corporate Governance Guidelines?</p> <p>6. Whether Audit Committee and Investment Committee have no common Chairman?</p> <p>7. Has the Board of the Insurer appointed a Custodian, who is not an entity under its promoter 'Group', unless permitted otherwise by the Authority, to carry out the custodial service for its investments operations?</p> <p>8. Has the Insurer filed application for public listing under ICDR Regulations issued by the Authority?</p> <p>9. If "yes", for point no. 8 above, whether the General Insurer including an insurer carrying on business of re-insurance or health insurance, had split its funds between Shareholders and Policyholders as per the</p>		

Section	Norms	Exposure / Other Norms as per Regulation	Are the required Norms complied? (Yes / No)	Remarks
		<p><i>Circular / Guidelines issued by the Authority?</i></p> <p>10. Have periodical Investment Returns to be filed for the Quarter, prepared in full compliance with the “Guidance Note on preparation of Investment Returns” issued by IRDA?</p> <p>11. Have amendments to the Investment Policy, been approved by the Board of the Insurer?</p> <p>12. Has the model code of conduct, to prevent insider / personal trading (as required under SEBI (Insider Trading) Regulations, 1992, as amended from time to time) of officers <u>involved in Investment Operations</u>, including front, mid and back office, as approved by the Board, been implemented? If so:</p> <p>a. Does it cover Officers involved in Investment Operations at various levels?</p> <p>b. Does the code of conduct cover each Officer in such level?</p> <p>c. Has the Board been informed of compliance or otherwise to model code of conduct during the Quarter?</p> <p>d. Has the Concurrent Auditor issued his Audit Report of previous Quarter, without any qualification on aspects of model code of conduct implemented by the Insurer?</p> <p>e. Where breach of model code of conduct, if any, reported during the previous Quarter, been dealt properly and appropriate action as recommended by Audit Committee/ Board been taken?</p> <p>13. Does the segregation of front, mid and back office – are as per Guidance note on Internal / Concurrent Audit of Investment functions of Insurance Companies issued by the Institute of Chartered Accountants of India?</p> <p>14. Have all non-compliance reported in the Chartered Accountant’s certificate issued (as per the Guidance</p>		

Section	Norms	Exposure / Other Norms as per Regulation	Are the required Norms complied? (Yes / No)	Remarks
		<p><i>note on Investment Risk Management Systems & Process of Insurance Companies, by ICAI) on the 'status' of implementation of Investment Risk Management Systems and Process been implemented as per timelines committed to IRDA?</i></p> <p>15. <i>Has the Internal /Concurrent audit Report of the previous Quarter with the comments of Audit Committee of the Board, on 'very serious', 'serious' points (as per the Guidance note on Internal / Concurrent Audit of Investment functions of Insurance Companies, issued by the Institute of Chartered Accountants of India) in the report, and status of implementation of Audit committee recommendations been placed before the Insurer's Board, as a part of the Agenda, during the current quarter?</i></p> <p>16. <i>Have the Audit Report of the previous Quarter along with Audit Committees recommendation and its implementation status filed with the Authority along with these returns?</i></p> <p>17. <i>Has the insurer in calculation of solvency margin, excluded funds held beyond required solvency margin, subject to other provision of the Act?</i></p> <p>18. <i>Have the increase during the quarter, in Shareholders' funds (other than income from shareholders' investments, <u>maintained in a separate custody account</u>) held beyond solvency margin requirement, is supported by Actuarial Valuation certified by the Appointed Actuary? [annex a copy of Appointed Actuary's Certificate <u>to this return</u>]</i></p> <p>19. <i>Has the Board reviewed (both life and General Insurers) during the previous quarter the performance of products [<u>at line of business level in the case of General Insurer including an insurer carrying on business of re-insurance or health</u></i></p>		

Section	Norms	Exposure / Other Norms as per Regulation	Are the required Norms complied? (Yes / No)	Remarks
		<p><i>insurance]?</i></p> <p>20. <i>Has the Board, during the previous Quarter, reviewed (both life and non-life insurers) the performance of investments?[the review in the case of life insurers should cover both Non-Linked and Linked funds [SFIN] level]</i></p> <p>21. <i>Has the Insurer placed before the Board, as a part of the Agenda, the minimum information specified in Circular / Guidelines issued by the Authority (on points 15 and 16 above) on performance of investments and performance of products?</i></p> <p>22. <i>Has the Insurer placed before the Board, as part of the Agenda the following:</i></p> <p style="padding-left: 40px;"><i>a. All investments made out of Controlled Fund / assets falling under “Other Investments”?</i></p> <p style="padding-left: 40px;"><i>b. All investments made in “All India Financial Institutions, recognized as such by RBI, carrying a rating of less than AA and classified as Approved Investments?</i></p> <p style="padding-left: 40px;"><i>c. Details of Analysis, review of NPA details are part of Agenda?</i></p> <p>23. <i>Has the Standard Operating Procedure (SOP) approved by the Investment Committee of the Insurer?</i></p> <p>24. <i>Does the SOP, for each ‘category of investment’ is <u>same</u> across all fund(s)?</i></p> <p>25. <i>Does SOP of the Insurer, for “each” Category of Investment, (as per Guidelines as amended from time to time, issued by the Authority) provide individual activities to be carried out in Front, Mid and Back office?</i></p>		

Section	Norms	Exposure / Other Norms as per Regulation	Are the required Norms complied? (Yes / No)	Remarks
		<p>26. Have all investments made (100%) followed the IC approved SOP?</p> <p>27. Does the Investment made during the Quarter, are within the exhaustive 'Categories of Investments' prescribed under Guidelines as amended from time to time?</p> <p>28. Has the Insurer during the Quarter taken Derivative position in interest rate derivatives or Credit default swap? If Yes:</p> <p>a. Has the Derivative Policy been approved by the Board of the Insurer?</p> <p>b. Has the insurer implemented a <u>fully automated and integrated system</u> between (1) Policy Admin System, (2) Accounting System and (3) Investment System?</p> <p>c. Has the Insurer, filed with the Authority, the certificate issued by the Chartered Accountant, appointed for "Certification of Investment Risk Management Systems and Processes", <u>before taking any exposure to derivatives?</u></p> <p>d. Has the Concurrent Auditor, confirmed the compliance to point (c) above, to Audit Committee / Board of the Insurer?</p> <p>e. Has the derivative position, to be hedged, with respect to:</p> <p>i. 'Cash flow' been identified with 'individual' product with associated UIN number?</p> <p>ii. 'Re-investment risk' been identified with 'individual' debt security?</p> <p>f. If so, is there a process to identify the risk to be hedged ['fund-wise' in the case of Life Insurers]?</p> <p>g. Does the notional value of the derivative is lesser than the book value of the respective fund?</p> <p>h. Where the 'hedge' is not effective, has it been reflected in the Profit & Loss Account?</p>		

Section	Norms	Exposure / Other Norms as per Regulation	Are the required Norms complied? (Yes / No)	Remarks
		<p>i. Does such derivative position comply with IRDA Guidelines?</p> <p>j. Has the Chief Risk Officer, in his quarterly report to the Board of the Insurer, reported the compliance to all points (a to i)?</p> <p>k. Has the Insurer filed the regulatory information / returns required under the Guidelines issued?</p> <p>29. Are investment made in “investment property” covered under Regulations 3(a)(6) not exceeded, at the time of investment, 5% of investment assets [as per FORM 3B (Part A)], in the case of General Insurer and within 5% of Life fund [as per FORM 3A (Part A)].</p> <p>30. Are investments in equity shares through IPO, Mutual fund, Venture fund, SEBI approved Alternate Investment Funds, Corporate Bond Reverse Repo, IDF (as per Note 2 to Regulation 9) Perpetual Debt instruments of Bank’s Tier-I (Basel II) Capital and Debt Capital instruments of Bank’s Upper Tier-II Capital, made in compliance with the relevant circulars issued in this regards from time to time?</p> <p>31. Are investments in asset backed securities, PTC, SRs both under Approved and Other investment category, made within 10% of respective funds in case of Life Companies and 5% of Investment assets in case of General Insurer including an insurer carrying on business of re-insurance or health insurance companies</p> <p>32. Are any securitized assets with underlying housing or infrastructure assets, if downgraded below AAA or equivalent reclassified as Other Investments</p> <p>B. CONFIRMATION ON INVESTMENT OPERATIONS / EXPOSURE</p> <p>1. Has Shareholders funds been split Funds Representing Solvency Margin (FRSM) in FORM 3A (Part A) / FORM 3B (Part A)?</p>		

<i>Section</i>	<i>Norms</i>	<i>Exposure / Other Norms as per Regulation</i>	<i>Are the required Norms complied? (Yes / No)</i>	<i>Remarks</i>
		<p>2. If funds are split as per point 1 above, between FRSM and Balance, have the same been maintained in separate custodian account with identified 'scrips' for both Life and General Insurer including an insurer carrying on business of re-insurance or health insurance companies and reconciled with FORM 3A (Part A) / FORM 3B?</p> <p>3. Whether the funds held in business, beyond solvency margin, have not been considered in the calculation of Solvency Margin?</p> <p>4. Does all investments in assets or instruments which are capable of being rated (except Fixed Deposits with Scheduled Banks) are made based on 'instrument' rating and NOT based on Investee 'Company' rating?</p> <p>5. Have Investments in debt instruments rated AA - (AA minus) or below classified under Other Investments?</p> <p>6. Are Investments made in a Public Limited Special Purpose Vehicle (SPV) engaged in infrastructure sector is within 20% of the project cost (or) amount under Regulation 9 (B) (i), whichever is lower?</p> <p>7. If answer to point above is 'yes', have all the requirements mentioned under Note 4 to Regulation 9 have been complied?</p> <p>8. Are investments made in Mortgaged Backed Securities [MBS] / Assets Backed Securities [ABS] complied with the requirements of Note 5 to Regulation 9?</p> <p>9. Are all listed equity shares, forming part of Approved Investments, fulfill the requirement of dividend criteria, as specified in Regulation 3 (a) (5)?</p>		



<i>Section</i>	<i>Norms</i>	<i>Exposure / Other Norms as per Regulation</i>	<i>Are the required Norms complied? (Yes / No)</i>	<i>Remarks</i>
		<p>10. Are all thinly traded equity (as per SEBI norms) classified as “Other Investment”?</p> <p>11. Does the Primary Data Server of the Computer Application used for Investment Management, maintained within the Country?</p> <p>12. Has the insurer, reconciled investment accounts, from each fund in the case of non-unit linked business, and General Insurer including an insurer carrying on business of re-insurance or health insurance business, with custodian records, on a day-to-day basis?</p> <p>13. Has the insurer, apart from the credit rating evaluated by the rating agencies, carried out their own risk analysis commensurate with the complexity of the product(s) and the materiality of their holding for every investment made?</p> <p>14. Has the insurer maintained separate custody account with identifiable securities for participating and non-participating investments, at fund level?</p>		
C. CONFIRMATION - “LIFE” INSURERS				
VIII	Confirmations	<p>A. CONFIRMATION ON POLICY / SYSTEMS / PROCEDURE</p> <p>1. Has the life insurer, in the case of ULIP business reconciled, <u>through the system</u>, the premium received (net of charges and benefits paid) under each product (Unique Identification Number – UIN wise) with value of all the segregated fund(s) (Segregated Fund Identification Number – SFIN wise) net of fund management charges, held under a single UIN, on a day to day basis, during the quarter, as per Form D01?</p>		

2. *Has the life insurer, through a portal, enabled the*

Section	Norms	Exposure / Other Norms as per Regulation	Are the required Norms complied? (Yes / No)	Remarks
		<p>policyholder, to access through a secured login, his Statement of Product Value, as per Form D02?</p> <p>3. Has the life insurer, disclosed in its website the minimum information, of monthly ULIP portfolio disclosure, as per guidelines / circular issued by the Authority?</p> <p>4. Is there a fully automated system to generate, on a day to day basis, Form 3A - Part E (Investment Details of ULIP Products to Segregated Funds)?</p> <p>5. Has the life insurer disclosed fund wise NAV (SFIN wise) on the Insurer's website and life council website on the same day?</p> <p>6. Have NO investments in Immovable Properties been made out of ULIP Funds?</p> <p>B. CONFIRMATION ON INVESTMENT OPERATIONS / EXPOSURE</p> <p>1. Do each 'Segregated fund' [SFIN] have underlying 'Scrips', identified up to Custodian level?</p> <p>2. Has 'each' purchase and sale of Investments, as mentioned in the Deal Slip, been identified with respect to 'each' fund / 'segregated fund [SFIN]' in respect of ULIP funds?</p> <p>3. Has inter fund transfer, been done as per the provisions of Master Circular issued between ULIP funds during Market Hours, for Equity and Debt at the prevailing price and not based on broker quote?</p> <p>4. With respect to 'each' Segregated Fund [including Discontinued Policy Fund (DPF)] in the case of ULIP business, whether reconciliation of "Units" have been made, between Policy Admin System (PAS) and Investment Accounting Systems through a</p>		

Section	Norms	Exposure / Other Norms as per Regulation	Are the required Norms complied? (Yes / No)	Remarks
		<p><i>fully automated system using process integrators to ensure seamless data transfer <u>without manual intervention</u>?</i></p> <p>5. <i>Has the insurer, reconciled investments, fund-wise, with bank and custodian records on 'day-to-day' basis for 'each' segregated fund [SFIN]?</i></p> <p>6. <i>Has valuation of investments of 'each' fund (including ULIP), done as prescribed in IRDA (Preparation of Financial Statements and Auditors Report of Insurance Companies) Regulations, 2002?</i></p> <p>7. <i>Is there any shortfall/deficit in meeting the Discontinued Policies Fund (DPF) liabilities?</i></p> <p>8. <i>If the answer to above point is 'Yes', has the Insurer provided for such shortfall / deficit on a quarterly basis?</i></p> <p>9. <i>Has NAV of each segregated fund [SFIN] been audited before its declaration by Internal / Concurrent Auditor on a day-to-day basis (on T+0 basis)?</i></p> <p>10. <i>Has the Insurer floated any new fund during the quarter?</i></p> <p>11. <i>If the answer to point above is 'yes', has the provisions of "Fund Clearance Procedure" as per the Master Circular complied with?</i></p> <p>12. <i>Does every fund [(a) Life fund, (b) Pension, Annuity & Group fund (c) Unit linked segregated fund(s) SFIN wise] has an identifiable fund manager?</i></p> <p>13. <i>Whether the Fund manager is not common between (a) Life fund, Pension & Group fund (b) Unit linked funds?</i></p>		

Section	Norms	Exposure / Other Norms as per Regulation	Are the required Norms complied? (Yes / No)	Remarks
		<p>14. Has the insurer excluded fund management charge, charged by Mutual Fund, Exchange Traded Fund (excluding CPSE ETF), and Fixed Deposit (less than 91 days at the time of placing the investment) while computing fund management charges (FMC) for all funds which are either more than six months from the date of launch of the segregated fund or where the segregated fund has reached the size of Rs.5 Crores, for the first time, whichever is earlier)?</p> <p>15. Whether no investments have been made in Alternate Investment funds from ULIP funds?</p> <p>16. Has the insurer, unless specifically permitted by the Authority, not made any investment in any entity not formed under laws relating to companies in India and in any private limited company or one man company or a company formed under section 8 of the Companies Act, 2013 or erstwhile Section 25 of the Companies Act, 1956?</p> <p>17. Whether the insurer has not made any investment in Fund of Funds or a fund for which NAV is not available on a daily basis?</p> <p>18. Has the insurer created an SFIN for Unclaimed Amount of claimants? Is 'Yes:</p> <p>a. Is the SFIN of "Unclaimed Amounts of Policyholders" cleared by IRDA?</p> <p>b. Has monies of Unclaimed Amounts of Policyholders, under (1) Life business (2) Pension and General Annuity business and (3) ULIP Business, shall be disclosed in a single separate "Unclaimed Amounts of Policyholders" and NOT shown as part of Investment Assets?</p> <p>c. Has the insurer shown "Unclaimed Amounts of Policyholders" as part of Current Assets in the</p>		

Section	Norms	Exposure / Other Norms as per Regulation	Are the required Norms complied? (Yes / No)	Remarks
		<p><i>Balance Sheet?</i></p> <p>d. Has “Unclaimed Amounts of Policyholders” invested in Money Market Instruments (as defined in IRDAI (Investment) Regulations, 2016 and / or Fixed Deposits of Scheduled Banks?</p> <p>e. Has the insurer’s “Unclaimed Amounts of Policyholders” (at individual claimant level) linked to Policy Admin System?</p> <p>f. Has the insurer declared NAV of the SFIN of “Unclaimed Amounts of Policyholders” as per Schedule I of IRDAI (Investment) Regulations, 2016 and guidelines issued there under?</p>		

CERTIFICATION

Certified that the information given herein is correct and complete and nothing has been concealed or suppressed.

Signature:.....

Signature:.....

Signature:.....

Signature:.....

Chief Executive Officer

Chief of Finance

Chief of Investments

Chief Risk Officer

Date:

FORM - 4

(Read with Regulation 10)

PART B

Name of the Insurer:

Registration Number:

Statement as on:

INTERNAL / CONCURRENT AUDITOR'S CERTIFICATE ON INVESTMENT RISK MANAGEMENT SYSTEMS - IMPLEMENTATION STATUS

No	Annexure Ref	Audit Objective	Audit Observation	Severity of Non Compliance	Action(s) taken for Compliance	MMM/YYYY Committed by the Insurer's Board to IRDA for complying with the requirement	Proof provided (or) demonstrated by the Insurer, to the Auditor to comply with the Requirement	Remarks & Comments of Audit Committee of the Board on non-compliance of 'time frame' communicated to IRDA on implementing Systems & Processes
1	2	3	4	5	6	7	8	9
A	ISSUES OF PREVIOUS QUARTER(S)							
B	ISSUES TO BE COMPLIED IN CURRENT QUARTER							

CERTIFICATE

We certify that all issues, to be reported to IRDAI on implementation of Investment Risk Management Systems and Process, for the Quarter and pending issues of previous Quarter(s) [as committed to IRDAI], and as listed in the Chartered Accountant's Certificate issued, vide IRDAI Circular, have been covered in the above table.

Chartered Accountants**(Internal / Concurrent Auditor)**

Place:

Date:

Note:

1. **No.** (under Col. 1 in above table) shall be as per the Annexure(s) to the Certificate issued by the Chartered Accountant appointed to certify implementation of Investment Risk Management Systems and Process

2. If all the issues have been complied with and no issues to be reported, a NIL statement should be filed

FORM - 4A**(Read with Regulation 10)****PART A****Name of the Insurer:****Registration Number:**

Statement as on:

Total Investment Assets for the quarter as per FORM 3A/3B:

EXPOSURE NORMS COMPLIANCE - INVESTEE COMPANY

Rs. Crore

No	Investee Company	Whether (Equity/Debt)	Equity		Debt + Others		Equity + Debt + Others		Deviation Amount		
			Eligibility Limit as per Regulation 9	Actual	Eligibility Limit as per Regulation 9	Actual	Eligibility Limit as per Regulation 9	Actual	Equity	(Debt + Others)	Equity + Debt + Others

CERTIFICATION

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

Signature: _____

Date:

Full name: _____**Authorised Signatory** _____**Note:**

1. Above table shall be compiled separately for Life, Pension & General Annuity and Group Business and Individually for each Segregated Fund (SFIN) AND at Assets under Management Level

2. Only (-ve) deviations are to be reported

3. Exposure would be on the basis of Book Value for Non-unit linked funds & on Market Value for Unit linked Funds

FORM - 4A**(Read with Regulation 10)****Name of the Insurer:****PART B****Registration Number:****Total Investment Assets for the quarter as per FORM 3A/3B:**

Statement as on:

Rs. Crore

EXPOSURE NORMS COMPLIANCE- PROMOTER GROUP

No	Name of Group Company	Eligibility limit of group as per Regulation 9	Actual Investment	Actual Investments (Cumulative)	Deviation
a	b	c	d	e	f=c-e

CERTIFICATION

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

Signature:

Date:

Full name:**Authorised Signatory****Note:**

1. Above table shall be compiled in aggregate of its total investments
2. Exposure would be on the basis of Book Value for Non-unit linked funds & on Market Value for Unit linked Funds

FORM - 4A**(Read with Regulation 10)****PART C****Name of the Insurer:****Registration Number:**

Statement as on:

Rs. Crore

Total Investment Assets as per FORM
3A/3B:

EXPOSURE NORMS COMPLIANCE- GROUP

No	Name of Group Company	Eligibility limit of group as per Regulation 9	Actual Investments	Deviation
a	b	c	d	e=c-d

Total

CERTIFICATION

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

Signature:

Date:

Full name:**Authorised Signatory**

Note:

1. Above table shall be compiled separately for Life, Pension & General Annuity and Group Business and Individually for each Segregated Fund (SFIN) AND at Assets under Management Level its total investment assets
2. Exposure would be on the basis of Book Value for Non-unit linked funds & on Market Value for Unit linked Funds
3. The Total of Column 'd' should reconcile with Total Investment Assets as per FORM 3A

FORM - 4A

(Read with Regulation 10)

PART D

Name of the Insurer:

Registration Number:

Statement as on:

Rs.Crore

Total Investment Assets as per FORM 3A/3B:

EXPOSURE TO INDUSTRY SECTOR

No	Name of Industry Sector (as per Regulations)	Eligibility limit of industry as per Regulation 9	Actual Investments	Deviation
a	b	c	d	e=c-d

Total

CERTIFICATION

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

Date:

Signature:

Full name:

Chief of Finance

Note:

1. Above table shall be compiled separately for Life, Pension & General Annuity and Group Business and Individually for each Segregated Fund (SFIN) AND at Assets under Management Level its total investment assets
2. Exposure would be on the basis of Book Value for Non-unit linked funds & on Market Value for Unit linked Funds
3. The Total of Column 'd' should reconcile with Investment Assets as per FORM 3A

FORM - 5

(Read with Regulation 10)

Name of the Insurer:

Registration Number:

Statement as on:

Statement of Investment Reconciliation

Name of the Fund:

(Business within India)

Rs.Crore

Periodicity of Submission :

Quarterly

[illegible]

	Govt Sec or Other Approved Sec													
										Total [1+2]				
3	Investments subject to Exposure Norms													
	(a) Housing & Loans to State Govt for Housing / FFE													
	1. Approved Investments													
	2. Other Investments													
										Total [3(a)]				
	(b) Infrastructure Investments													
	1. Approved Investments													
	2. Other Investments													
										Total [3(b)]				
	(c) Approved Investments													
										Total [3(c)]				
	(d) Other Investments													
										Total (3(d))				
										Total [3 (a+b+c+d)]				
										Total (1+2+3)				
TOTAL														

CERTIFICATION

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.
Also, certified that all Cash Market transactions executed on the Stock Exchange are made only on Delivery basis.

Date :

Signature _____

Full Name & Designation**Authorised Signatory****NOTE:**

1. Individual Categories under each of the above Major heads should be listed with Category Code
2. FORM-5 shall be prepared in respect of each fund. In case of ULIP Form 5 shall be prepared at Segregated Fund (SFIN) level and also at consolidated level.
3. Each sub-total of FORM-5 shall be linked to its corresponding head in PART-A of FORM-3A / FORM-3B.
4. 'Other Investments' are as permitted under Sec 27A(2)
5. The '% to Total' Column, in the case of Non-Linked funds shall be computed on Book Value and in the Case of Linked Funds it shall to Market Value

FORM - 6**(Read with Regulation 10)****Name of the Insurer:****Registration Number:**

Name of the Fund: _____

Statement as on:

Certificate under Section 27A (5) of Insurance Act, 1938

Rs.Crore

Periodicity of Submission : Quarterly

No	Investment Particulars	Under the Custody of						
		Bank / Custody (Rs)		Self (Rs)		Others (Rs)		Total (Rs)
		Share Holders	Policy Holders	Share Holders	Policy Holders	Share Holders	Policy Holders	SH + PH
1	Central Govt. Security							
2	Central Govt Securities, State Govt Securities or Other Approved Securities							



3	Investment subject to Exposure Norms							
	a. Housing & Loans to State Govt. for Housing & FFE							
	1. Approved Investments							
	2. Other Investments							
	b. Infrastructure Investments							
	1. Approved Investments							
	2. Other Investments							
	c. Approved Investments							
	d. Other Investments							
	TOTAL							

CERTIFICATE

We certify that the above mentioned securities are held free of any encumbrance, charge, hypothecation, or lien as on the above date.

Signature:

Full name: _____

Chairman _____

Signature:

Full name: _____

Director 1 _____

Signature:

Full name: _____

Director 2 _____

Signature:

Full name: _____

Principal Officer _____

Note:

1. Custodian should certify that he is not disqualified under SEBI (Custodian of securities) Regulations, 1996 as amended from time to time.
2. Value of the Securities shall be as per Guidelines
3. In the case of Life Insurance Business, FORM-6 shall be prepared in respect of each fund and in aggregate for Segregated Funds
4. The values under certificate should be adjusted for Purchase / Sale of investments purchased and awaiting settlement. A reconciliation to this effect should be attached to the Certificate.

FORM 7

Name of the Fund

(Read with Regulation 10)

DETAILS OF NON-PERFORMING ASSETS

Name of the Insurer:

Registration No:

(Rs.Crore)

NO	PARTICULARS	Bonds / Debentures		Loans		Other Debt instruments		All Other Assets		TOTAL	
		YTD (As on date)	Prev. FY (As on 31 Mar)	YTD (As on date)	Prev. FY (As on 31 Mar)	YTD (As on date)	Prev. FY (As on 31 Mar)	YTD (As on date)	Prev. FY (As on 31 Mar)	YTD (As on date)	Prev. FY (As on 31 Mar)
1	Investments Assets (As per Form 5)										
2	Gross NPA										
3	% of Gross NPA on										
4	Investment Assets (2/1)										
5	Provision made on NPA										
6	Provision as a % of NPA										
7	(4/2)										
8	Provision on Standard Assets										
9	Net Investment Assets (1-4)										
10	Net NPA (2-4)										
	% of Net NPA to Net										
	Investment Assets (8/7)										
	Write off made during the period										

Certification

Certified that the information given herein are correct and complete to the best of my knowledge. Also certified that the various investments made and covered in the return are within the exhaustive categories provided in Investment Guidelines as amended from time to time.

Signature:

Full name:

Note:

1. The above statement, in the case of 'Life' Insurers shall be prepared 'fund-wise' Viz. Life Fund, Pension & Group Fund, ULIP Fund and at Assets Under Management level also.
2. Total Investment Assets should reconcile with figures shown in Form 3A / 3B
3. Gross NPA is investments classified as NPA, before any provisions
4. Provision made on the 'Standard Assets' shall be as per Circular issued, as amended from time to time.
5. Net Investment assets is net of 'provisions'
6. Net NPA is gross NPAs less provisions
7. Write off as approved by the Board

Name of the Insurer:

Registration No:

FORM - D01

Report Date

DAILY RECONCILIATION OF ULIP PORTFOLIO

Unique Identity Number (UIN)	Name of the Product	Segregated Fund Identification Number (SFIN)	Name of the Fund	Life / Group Policy Admin System					
				Opening Unit Capital (as at the start of the day) (Amount in Rs)	Opening Units (as of the start of the day) (Number of Units)	Net Amount collected or redeemed (net of charges) for the day (Amount in Rs)	Net units allotted or redeemed for the day (Number of Units)	Closing unit capital (as at the end of the day) (Amount in Rs)	Closing units (as at the end of the day) (Number of Units)
				(a)	(b)	(c)	(d)	(e) = (a) + (c)	(f) = (b) + (d)
X	A	XYZ	Fund Name 1						
Y	B								
Z	C								
			Sub total						
L	D	ABC	Fund Name 'n'						
M	E								
			Sub total						

Investment Management System										
SFI N	Name of the Fund	Opening fund Value (as at the start of the day)	Opening units (as at the start of the day) (Number of Units)	Additional fund Value created or redeemed for the day	Additional Units created or redeemed for the day	Investment income for the day (including unrealised gain/loss)	FMC charges deducted for the day	Closing fund Value (as at the end of the day)	Closing Units (as at the end of the day) (Number of units)	NAV per Unit declared
		(g)	(h)	(i)	(j)	(k)	(l)	(m) = (g)+(i)+(k)-(l)	(n) = (h) + (j)	(o) = (m) / (n)
	Fund 1									
	Fund 2									
	Fund 'n'									

NOTES:

1. Opening units as per Life / Group Policy Admin System of previous NAV day [refer (b)] shall reconcile with Opening Units as per Investment Management System [refer (h)]
2. Additional fund or Units created or redeemed for the day in Investment Management System [refer (i) and (j)] shall reconcile with Net Amount or Units collected or redeemed as per Life / Group Policy Admin System [refer (c) and (d)]
3. Closing units as per Life / Group Policy Admin System of previous NAV day [refer (f)] shall reconcile with Closing Units as per Investment Management System [refer (n)]
4. NAV per unit declared [refer (o)] must reconcile with NAV per unit uploaded on Life Insurance council's website
5. The unit movements of day "T" in Life/Group Admin System shall flow into Investment Management System with a maximum time lag of 1 working day i.e T+1

**XYZ Life Insurance
Company Limited**
Statement of Product Value

Registration No:

FORM - D02

Policyholder ID

Login Dt

Name of Policyholder

Address:

PART - A

Product	UIN	Premium incl. Top-up (Rs)	Premium Allocation Charge (Rs)	Funds Allocated (Rs)
ZXY Premium Plus				

Units as per Policy Admin System (PAS)	Value per Unit (Rs)	Product Value (Rs)

[A]

PART - B

Rs.

Particulars	SFIN.....	SFIN.....	Σ SFIN
Name of the Fund	Fund X	Fund Y	Total
Units (as per Investment Management System)			
Percentage of Allocation (as on Login Dt)	%	%	%
Funds Allocated			
Switch In			
Switch Out			
Withdrawals			

Charges

Allocation Charges
Switch charge
Policy Administration
charge
Mortality charges
Other charges (specify)
Service Tax

**Total amount invested in
Segregated funds**

Current NAV

Fund value as on Login Dt:

[B]

PART - C (Product Statistics)

Insurance Cover over the interim reporting period from dd/mm/yyyy to dd/mm/yyyy

Total Premium Paid from inception

Total Risk premium from inception, for insurance cover

Total Charges and deductions other than Mortality including Allocation charges till Login Dt. (including Service Charges)

Difference between (A) (B) (unrealised Gain / Loss)

Portfolio value on Net Investment as per Benefit Illustration at the lower rate as prescribed in the regulations

Portfolio value on Net Investment as per Benefit Illustration at the upper rate prescribed in the regulations

NOTE:

1. *Product Porfolio value would be aggregate of all fund values in a product.*
2. *Product value per unit would be arrived at post dividing aggregate fund value by initial units*
3. *Consolidated Product Value would be a derived by aggregating the product values and divding the same by consolidated initial units*
4. *Product Value would be in addition to all the existing disclosures and calculations*
5. *Current prescribed practices shall continue*

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