



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

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Change in the shareholding pattern of M/s. MetLife India Insurance Company Limited.

The 73rd meeting of the Board of Insurance Regulatory and Development Authority (IRDA) was held on August 31, 2012 at New Delhi. Amongst the various agenda items considered by the Board, the IRDA considered the proposal for change in the shareholding pattern of M/s. MetLife India Insurance Company Limited and broadening the definition of 'Indian Promoter' as defined under the IRDA (Registration of Indian Insurance Companies) Regulations, 2000 to include a Limited Liability Partnership.

The IRDA has for some time been examining the inability of some of the existing shareholders of M/s. MetLife India Insurance Company Limited (MLIC) to subscribe to the capital calls due to certain applicable regulatory restrictions. This constraint was impacting the solvency position of the insurer and limiting its ability to grow. MLIC had submitted a proposal under section 6A of the Insurance Act, 1938, seeking the approval for the induction of Punjab National Bank as a shareholder of the insurance company with a 30 per cent stake.

The Board approved the proposal for inducting Punjab National Bank as a shareholder subject to certain conditions inter alia on appointment of Directors on the Board of the insurer by Punjab National Bank, reduction in the equity stake by some of the existing shareholder and maintaining solvency margin as per the directions suggested by IRDA. The Board further advised IRDA that in public interest and with a view to protect policyholders' interest, IRDA may issue directions under section 34 of the Insurance Act, 1938, subject to compliance with due regulatory process.

The Board also approved an amendment to the Regulations to include a Limited Liability Partnership (LLP) firm as an Indian promoter under Clause 2(g) of the IRDA (Registration of Indian Insurance Companies) Regulations, 2000. Such an LLP can, however, neither be a foreign LLP nor should any of the partners in the LLP be foreign entities.

(R. K. Nair)
Member (F&I)