



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

Circular

NO. IRDA/F&A/CIR/CPM/134/07/2015

July 24, 2015

To

All Insurers except GIC

Sub: Handling of the unclaimed amounts pertaining to the policyholders

- Ref:** (1) IRDA / F&I/ CIR/ CMP/174/ 11/2010 dated 04.11.2010
(2) IRDA/F&A/CIR GLD/056/02/2014 dated 13.02.2014
(3) IRDA/F&A/CIR/GLD/195/08/2014 dated 14.08.2014

This has reference to the Authority's circular no. IRDA/F&A/CIR/GLD/114/05/2015 dated 28.05.2015 on the above cited subject.

The Authority is in receipt of representations from the Life Insurance Council, General Insurance Council and few insurance companies on the above cited subject. Authority has examined the representations and following modifications are carried out to the above referred circular.

1. Clause 1 and 2 are substituted with the following :

"1 : Non-Life, Health and Life (including ULIPs) :

Insurer shall maintain a single segregated fund to manage all unclaimed monies and the sum of such fund shall be invested in money market instruments and /or fixed deposits of scheduled banks."

2. Clause 3 is substituted with the following

"2. Treatment of Investment Income

Further to the provisions of the regulation 8 (4) of the IRDA (Protection of Policyholders' Interests) Regulations, 2002, all insurers shall credit the investment income accruing on the unclaimed amount to the respective identified unclaimed account as under

- (i) *The investment income on the accumulated unclaimed amount shall be credited w.e.f. October 01, 2015. For the financial year 2015-16, the proportionate investment income at the interest rate per annum applicable to saving bank account of State Bank of India shall be credited to the fund.*
- (ii) *From financial year 2016-17 onwards, the investment income earned shall be allocated to unclaimed amount fund.*

The Insurer shall pay the identified unclaimed amount along with the investment income so credited, to the insured/ policyholders / claimants. However, in case of any award/ order made by a statutory body including a court, which includes an interest component, it shall not carry any further interest."

3. Clause 4-"Recovery of Expenses" is substituted with the following

"3. Recovery of Expenses

Insurers may recover administration and fund management expenses from the unclaimed amounts. However, such recovery shall not in any case exceed 20 basis points per annum of the said underlying funds."

4. Para 5 and 6 shall be read as para 4 and 5 respectively

5. Effective Date of circular

The effective date of the circular [other than 2(i)] stands extended to January 01, 2016.

All insurers are advised to confirm the compliance.



(V R Iyer)

Member-F&I

