



Ref: IRDAI/NL/ORD/MOTP/149/08/2019

28<sup>th</sup> August, 2019

**ORDER**

**Re: Working Group (WG) to revisit the IRDAI (Motor Third Party Obligation in respect of Insurers), Regulations 2015**

1. Sec 32D of Insurance Act, 1938 requires every insurer to underwrite a minimum percentage of insurance business in third party risks of motor vehicles as specified by the Regulations. The Authority, vide IRDAI (Obligations of Insurers in respect of Motor Third Party) Regulations, 2015 dated 2<sup>nd</sup> June 2015, has specified a formula for calculating Motor Third Party Obligations.
2. Considering that around 3 years have elapsed from the issuance of the Regulation, and also in the light of the recent Supreme Court judgement on issuance of Long-Term Motor Third Party (TP) policies as well as concerns raised by various Insurers on the formula used for calculation of Motor TP Obligation, a review of the Regulations may be required.
3. Accordingly, a working group is constituted as under:
  - a. Smt. J. Anita, General Manager (NL), IRDAI, Chair
  - b. Shri. Basudev Sanyal, Chief Manager, United India Insurance, Member
  - c. Shri. K.B.Behera, Chief Manager, National Insurance, Member
  - d. Shri. Loknath Kar, Chief Compliance Officer and Legal Head, ICICI Lombard, Member
  - e. Shri. V. Suryanarayan, President & COO, Chola MS, Member
  - f. Shri. B. Subramanyam Brahmajosyula, Head Underwriter and Reinsurance, SBI General, Member
  - g. Smt. R. Uma Maheswari, Deputy General Manager (F&A (NL)), IRDAI, Member
  - h. Shri. A.Shrihari, Manager (Non-Life), IRDAI, Member, Convener

4. The Terms of Reference of the Working Group are:

- a. Review the current framework and identify areas of difficulty/ concerns including those relating to the formula in vogue.
- b. Review the framework in light of new developments such as long-term TP products.
- c. Make recommendations regarding modifications that may be required to the current framework.

5. The group shall submit its report within 12 weeks from the date of issuance of the Order.



T.L. Alamelu

Member (Non-Life)

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