



Ref: 309/3/F&A/2016-17

Date: 19.01.2017

**Exposure Draft**

**Stewardship Code for Insurers in India**

The growth in the Insurance Industry in recent years has resulted in a significant increase in the Funds of insurance companies. They are also significant investors in the securities markets and act as investors on behalf of the policyholders. There is increased emphasis on governance of public companies under the corporate and insurance law and the role and responsibility of Boards of companies has escalated.

Considering the fiduciary role played by the insurance companies as investors on behalf of the policyholders, it is felt that greater transparency is needed as regards the manner in which the investments are managed by them. In this regard, the Authority has examined the regulatory stipulations/ guidelines in various jurisdictions across the world and it was noticed that disclosures regarding decision making and voting at meetings of investee companies by institutional investors are being encouraged.

In this regard, the Authority has selected a set of Principles of Stewardship to be adopted by the Insurers as institutional investors. The principles are intended to strengthen the role of insurers as stewards on behalf of the policyholders. The Authority is of the view that adoption of the principles would improve the confidence of the policyholders in the insurers on one hand and also ensure better corporate governance and decision making at investee companies on the other.

The principles for Stewardship are placed in the attached draft document for public examination. The principles would require insurers to draw out a policy based on the principles and get it approved by their Board of Directors. The policy would need to be disclosed on their website within 30 days of approval by the Board.

Comments/ suggestions on the draft stewardship code may be forwarded to [mamta@irda.gov.in](mailto:mamta@irda.gov.in) with a copy to [shardul@irda.gov.in](mailto:shardul@irda.gov.in) in the prescribed format by 15<sup>th</sup> February, 2017.

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