



बीमा विनियामक और विकास प्राधिकरण
**INSURANCE REGULATORY AND
DEVELOPMENT AUTHORITY**

Ref. IRDA/F&A/WRN/EMT/184/11/2010

November 18, 2010

Shri Kshitij Jain
Chief Executive Officer
ING Vysya Life Insurance Co. Ltd.
5th Floor, ING Vysya House
22, M.G. Road
Bangalore – 560 001

Sub: Contravention of the provisions of Section 40B of the Insurance Act, 1938 read with Rule 17D of the Insurance Rules 1939 and the directions of the Authority issued thereunder.

Ref: (1) Letter of the Authority 446/3/F&A/EML-09-10/147/Sept-10 dated September 15, 2010
(2) Your response IVL/CLCSA/074/2010-11 dated October 18, 2010

The Authority has considered the contents of your letter under reference and observes the following:

1. Your Company was directed to bring the Expense of Management (EoM) under Rule 17D of the Insurance Rules 1939, below 110% for the year 2009-10, vide IRDA's letter Ref: 405/2/F&A/LEML/162/2007-08 dated 14th October 2009 addressed to Life Insurance Council, which was in turn forwarded by Insurance Council to your company.
2. Upon perusal of the statement on EoM submitted by your company for the year 2009-10, it was inter-alia noted that your company had deviated from the directions issued by the Authority. The EoM of ING Vysya Life Insurance Company Ltd. for the year 2009-10 was 128.97%, which is far in excess of the limits indicated for compliance.
3. In view of the non-compliance, notice dated 15th September 2010 was issued to your company, in terms of which your company was advised to show cause as to why appropriate action should not be initiated against them for the violations specified therein and to make their written submissions within the stipulated period of twenty one days. Your company offered submissions under cover of their reply dated 18th October 2010, in which you have inter-alia requested for condonation of the deviation for the financial year 2009-10.

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4. The Authority has also noted that as per the projections made by your company, expense limits would not be met even in the year 2010-11.

5. In view of the above, in exercise of the powers conferred upon it under Section 14 of the IRDA Act, 1999 read with section 64K(2) of the Insurance Act, 1938, your company is hereby warned of the contravention with the provisions of section 40B of the Insurance Act, 1938 and advised to bring the expenditure levels within the prescribed limits under Rule 17D of the Insurance Rules, 1939 and the directions of the Authority issued thereunder, by the end of the financial year 2010-11

6. Your company is further advised to note that any future occurrence of this nature resulting in non-compliance of the provisions of Insurance Act, 1938, the IRDA Act, 1999 and the Rules and Regulations issued thereunder, as also the various directions issued by the Authority shall be viewed seriously and visited with appropriate action by the Authority.

7. You are hereby, directed to bring this warning letter to the Notice of your Board in its next meeting. A copy of note placed before the Board and the duly certified relevant extract of the Board Resolution thereon, shall be filed with the Authority.


(J. Hari Narayan)
Chairman