



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

Ref: IRDA/ACT/GDL/MISC/194/08/2017

17August, 2017

To,

All CEOs of

Life / General/ Standalone Health Insurers/Reinsurers

**Sub: IRDAI guidelines on Transitory Provisions under IRDAI (Appointed Actuary) Regulations, 2017**

In exercise of the power conferred under Regulation 6 and Regulation 13 of the Insurance Regulator and Development Authority of India (Appointed Actuary) Regulations, 2017 (hereinafter "the Regulations") and by sections 14 (2) (e) of the IRDA Act 1999 as amended from time to time, the Authority hereby makes the following guidelines namely:

**1. Short title and commencement**

These guidelines may be called the Insurance Regulatory and Development Authority of India (Transitory Provisions under Regulation 6 of IRDAI (Appointed Actuary) Regulations, 2017) Guidelines, 2017.

1.1 These guidelines shall supersede the guidelines vide IRDAI/Actl/GDL/MISC/055/03/2016 dated 22nd March 2016 on Appointment of Appointed Actuaries and their mentors.

1.2 These Guidelines shall come into force with immediate effect. The existing arrangements not complying with these guidelines shall cease to exist within a period of three months from the date of publication these Guidelines.

**2. Definitions:**

2.1 Mentor is an actuary who satisfies the conditions stated in **Annexure I** of these Guidelines.

2.2 All words and expressions used herein and not defined herein but defined in the Insurance Act, 1938 (4 of 1938), or in the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999), shall have the meanings respectively assigned to them in those Acts.

3 The insurers shall appoint Mentor, as per the provision of this Circular, to the Appointed Actuary who does not have the minimum period of experience as prescribed in the Regulations. The Mentor shall be appointed until the Appointed Actuary becomes eligible under the Regulations.

**4 Exemption from requirement under Regulations 3(B)(iii)(b), 3(B)(iv)(b) or 3(B)(v)(b) for minimum relevant experience**

The Authority may allow appointment of Appointed Actuary who does not meet the requirement of experience provided under Regulation 3(B)(iii)(b) or 3(B)(iv)(b) or 3(B)(v)(b) of the Regulations as applicable. However, such appointment will be subject to the following conditions:

- 4.1 The candidate proposed by the Insurer for the Appointed Actuary position has at least 2 years of relevant post qualification experience in case of life insurer and at least 1 year of relevant post qualification experience in case of general/health insurer/reinsurer.
- 4.2 The Appointed Actuary will be supported by the Mentor appointed as per these guidelines till the Appointed Actuary gets relevant experience as per the requirements under Regulation:
  - a 3 (B)(iii)(b) in case of life insurer;
  - b 3(B)(iv)(b) in case of a general insurer or reinsurer;
  - c 3(B)(v)(b) in case of a health insurer of the Regulations.

**5 Exemption from requirement under 3(B)(iii)(c) or 3(B)(iv)(c) or 3(B)(v)(c) for experience in annual statutory valuation**

The Authority may allow appointment of Appointed Actuary who does not meet the requirement under Regulation 3(B)(iii)(c) or 3(B)(iv)(c) or 3(B)(v)(c) of the Regulations as applicable. However, such appointment will be subject to the following conditions:

- 5.1 The candidate proposed by the Insurer for the Appointed Actuary position has at least 2 years of relevant post qualification experience in case of life insurer and at least 1 year of relevant post qualification experience in case of general/health insurer/ reinsurer.
- 5.2 The Appointed Actuary will be supported by the Mentor appointed as per these guidelines till the Appointed Actuary gets relevant experience as per the requirements under Regulation:
  - a 3(B)(iii)(c) in case of life insurer;
  - b 3(B)(iv)(c) in case of a general insurer or reinsurer;
  - c 3(B)(v)(c) in case of a health insurer. of the Regulations.

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## 6 Exemption of requirement under Regulation 5 of the Regulations

The Authority will allow an insurer/reinsurer to carry on business without an Appointed Actuary for a period not exceeding one year. However, this relaxation will be subject to the following conditions:

6.1 All the statutory actuarial returns / certificates thereof, will be submitted by the insurer to the Authority within prescribed time limits as per the extant Regulations and other applicable norms. These returns / certificates shall be signed off by an Actuary from the "Panel of Actuaries" notified by the Authority time to time. The current "Panel of Actuaries" is notified by the Authority through Circular Ref: IRDA/ACTL/MISC/MISC/074/03/2017 dated 31.03.2017.

With respect to the above, the list of actuarial returns / certificates to be submitted to the Authority along with their due dates is provided in **Annexure III A and III B** of these Guidelines.

However, the most important returns/certificates out of those listed in Annexure III are stated below for reference:

- a • **Solvency margin certificate at the end of every quarter.**
- b **Actuarial reports at the end of every financial year.**

6.2 The Authority may also call for additional information to be submitted to the Authority which shall be duly signed off and certified by the Panel Actuary.

6.3 New products (including modification of existing products), if any, filed by the insurer under "File & Use" procedure, during this period, will be vetted with certification by the actuary selected from the "Panel of Actuaries" as mentioned above.

6.4 The Authority may allow vetting of new products filed under "File & Use" procedure by the mentor for a maximum period of one month from the date of relieving of the Appointed Actuary, in case of resignation of Appointed Actuary.

7 In order to remove any doubts or difficulties that may arise in the application or interpretation of any of the provisions under these guidelines, the Chairperson of the Authority may issue appropriate clarifications or modify these guidelines as deemed necessary.

  
**Member (Actuary)**  


## **Annexure I: Conditions for Appointment of Mentors to Appointed Actuaries**

### **1. Purpose for Appointment of Mentor**

- 1.1. To support younger Appointed Actuary who is a fellow member of the Institute of Actuaries of India but does not fulfil experience requirements as prescribed in the Regulations 3(B)(iii)(b) & (c), 3(B)(iv) (b) & (c) and 3(B)(v)(b) & (c) of the IRDAI (Appointed Actuary) Regulations, 2017.
- 1.2. Mentor shall be appointed only when Appointed Actuary is full time employee of the Company.

### **2. Responsibility of Mentor**

- 2.1. The Mentor along with the Appointed Actuary shall be jointly responsible for all the actuarial activities. The Mentor shall comply with the duties and responsibilities as prescribed in the IRDAI (Appointed Actuary) Regulations, 2017, and other regulations, circulars, guidelines issued by the Authority from time to times. The Mentor shall also ensure compliance with the actuarial professional standards issued by the Institute of Actuaries of India. This shall include but not limited to:
  - 2.1.1. New product filing.
  - 2.1.2. Submission of all actuarial reports as required by the Authority in Annexure III A and III B as applicable.
  - 2.1.3. Maintaining solvency and ensuring adequacy of reserves as stipulated in the various norms from time to time.

### **3. Eligibility Criteria**

The applicant before becoming Mentor shall satisfy the following criteria:

#### **3.1. Qualification**

- 3.1.1. Preferably, the applicant should be a fellow member of the Institute of Actuaries of India (IAI).
- 3.1.2. However, fellow member from any other institutes wherein the IAI have mutual recognition agreement from time to time will also be considered provided the Actuary endeavours to obtain fellowship of IAI within one year from the date of appointment as Mentor.



Currently, IAI has mutual recognition agreement with the following three Institutes:

- Institute and Faculty of Actuaries, UK.
- Institute of Actuaries of Australia
- Casualty Actuarial society, USA

### **3.2. Certificate of Practice (COP)**

- 3.2.1. Preferably, the applicant should have COP to work as Appointed Actuary issued by the IAI.
- 3.2.2. If the applicant does not possess COP of the IAI, he/ she should endeavour to possess COP of IAI within one year from the date of appointment as Mentor.

### **3.3. Age and tenure**

The maximum age of the Mentor will be 75 years. The minimum tenure for mentor will be one year. The maximum age on appointment as a mentor will be 74 years so as to ensure that he/she will get a full one year before reaching exact age of 75 years.

### **3.4. Practical experience**

The mentor should have at least 15 years of post-qualification experience in the insurance field.

### **3.5. Others**

- 3.5.1. The actuary eligible under these guidelines will work as Mentor to Appointed Actuaries of three insurers at a time, in respect of life, general, health insurers and reinsurers put together. Provided that he/she is not involved in any other assignments during the mentorship period. The other assignments refer to peer review as per norms of IAI, independent actuary on the With Profit Committee, , pension valuation, actuarial audit, any other work requiring significant time etc.
- 3.5.2. In all other cases, where the mentor is involved in any other assignment, as mentioned above, during the mentorship period, the mentorship will be limited to two insurers/reinsurers. If subsequent to appointment as Mentor for two insurers/reinsurers, the actuary takes up other assignments, that shall be informed to the Authority immediately and the Authority will review and decide on the number of insurers/reinsurers accordingly.
- 3.5.3. There should not be any conflict of interest with respect to the duties of Mentor and duties of any other position held by him / her. For example, an Actuary working as CEO or marketing head or CFO cannot act as Mentor for Appointed Actuary.
- 3.5.4. The Mentor should not be an employee of any insurer in India.

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- 3.5.5. The mentor should not be an Appointed Actuary of any Insurer in India.
- 3.5.6. The mentor should not have committed any breach of professional or other misconduct.
- 3.5.7. The insurer shall take approval from the Authority for appointment of Mentor and terms /conditions in the appointment letter of Mentor.
- 3.5.8. An insurer seeking the approval of the Authority for the appointment of Mentor, shall submit the application in the form “IRDA – Mentor” provided under Annexure – II.

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## Annexure II: Form IRDA – Mentor

### Particulars of the applicant actuary to work as Mentor:

1. Name of the Insurer:
2. Name of the applicant Actuary:
3. Residential Address with telephone number: [Residential addresses during the last five years have to be furnished]
4. Official Address with telephone number:
5. Proposed date of Appointment:
6. Date & Place of Birth:
7. Mobile Number:
8. E-mail address:
9. Annual Remuneration & Fringe Benefits:
10. Shareholding (in per cent. of shareholding) in the Indian Insurance Company (for which the applicant is the Appointed Actuary) and also in the promoter's companies, if any.
11. Professional Qualifications:
12. Details of relevant post qualification experience as per 3.4 of **Annexure I**:
13. Achievements and special positions held presently or previously:
14. Names, countries of incorporation, addresses and principal activities of any other firms or companies in which the applicant was a director, partner, proprietor, employee, consultant, peer reviewer, independent actuary on with profit committee, mentor to Appointed Actuary, worked as Panel Actuary or was associated in any manner.
  - 14.1. Names, countries of incorporation, addresses and principle activities of any other firms or companies in which the applicant currently is a director, partner, proprietor, employee, consultant, peer reviewer, independent actuary on with profit committee, mentor to Appointed Actuary, working as Panel Actuary or currently is associated in any manner.
15. Particulars of any criminal conviction for offences in India or elsewhere:
16. Has the applicant been adjudicated bankrupt during the last ten years? If so, give details:
17. Has the applicant been disciplined by any professional body or any insurance regulator? If so give details:

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**18. Certification by the applicant Actuary for Mentorship:** (Please Strike whichever is not applicable)

I, ...(Name of the Actuary)..... hereby certify that

- I shall function in accordance with Insurance Regulatory and Development Authority of India (Transitory Provisions under Regulation 6 of IRDAI (Appointed Actuary) Regulations, 2017) Guidelines, 2017 and I shall not function in any other capacity which could result in conflict of interest in performing my role as Mentor in accordance with these Guidelines.
- The information given in this form is complete, true and correct.

I am also enclosing self-attested copies of following documents:

1. Fellowship certificate issued by the Institute of Actuaries of India/ Institute and Faculty of Actuaries, UK / Institute of Actuaries of Australia / Casualty Actuarial Society.
2. Latest Certificate of Practice (COP) issued by the Institute of Actuaries of India/ Institute and Faculty of Actuaries, UK / Institute of Actuaries of Australia / Casualty Actuarial Society.

Place:

Date:

Signature of the Actuary.

**19. Undertaking by the applicant Actuary for Mentorship** (Please Strike if not applicable):

1) I ...(Name of the Actuary)..... hereby undertake to obtain fellowship from Institute of Actuaries of India, as per 3.1.2 of **Annexure I** of IRDAI guidelines on Appointment of Mentors to Appointed Actuary and Exemption of Regulation 5 of IRDAI (Appointed Actuary) Regulations, 2017, within one year of my appointment as Mentor.

2) I ...(Name of the Actuary)..... hereby undertake to obtain Certificate of Practice from Institute of Actuaries of India, as per 3.2.2 of Annexure I of Insurance Regulatory and Development Authority of India (Transitory Provisions under Regulation 6 of IRDAI (Appointed Actuary) Regulations, 2017) Guidelines, 2017, within one year of my appointment as Mentor.

Place:

Date:

Signature of the Actuary.

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**Certification by the Principal Officer/CEO of the insurer:**

Based on the information provided by the proposed Actuary, I ... (Name)....., the Principal Officer/CEO of the ..... (Name of the insurer)..... hereby certify that the proposed Actuary ----- (Name of the Actuary) ----- complies with all the requirements of the Insurance Regulatory and Development Authority of India (Transitory Provisions under Regulation 6 of IRDAI (Appointed Actuary) Regulations, 2017) Guidelines, 2017.

Place:

Date:

Signature of the Principal Officer/CEO

Office Seal

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**Annexure III A: List of actuarial statements / certificates/ reports to be submitted to the Authority with due dates by Life Insurers**

Sr No	Frequency of the statement / certificate/ report	Brief description	Source (Circular/guideline/ Regulation)	Due date
1	Annual	Actuarial Report and Abstract for Life Insurance Business (ARA)	Insurance Regulatory and Development Authority of India (Actuarial Report and Abstract for Life Insurance Business) Regulations, 2016 dated 13.04.2016	Within thirty days from the date of adoption of accounts by the Board or within three months from the end of the financial year whichever is earlier.
2	Annual	Appointed Actuary Annual Report (AAAR)	Circular No.: IRDA/ ACT/ CIR/ GEN/ 070/ 03/ 2017 dated 31.03.2017.	Along with ARA
3	Annual	Peer Review Report		Along with ARA
4	Annual	With-Profit Committee Report	Regulation 45 of IRDA(Non-Linked Insurance Products) Regulations,2013	Along with ARA
5	Annual	Audited Annual Financial Report along with all the Financial Statements.	IRDA(Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations,2002, as amended from time to time.	Along with ARA
6	Annual	Annexure ST	Circular No. IRDA/ ACTL/ CIR/ GEN/ 045 dated 07.03.2011	Along with ARA
7	Annual	Annexure NBEB	Circular No.IRDA/ACTL/CIR/ GEN/045 dated 07.03.2011	Along with ARA
8	Annual	ALM report (Annual)	Circular No. IRDA/ACTL/CIR/AL M/005/01/2012 dated 04.01.2012	Along with ARA

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9	Annual	Submission of Reinsurance Returns  Forms LR-1 to LR-7	Regulation 9 (a) (i) of IRDA(Life Insurance –Reinsurance) Regulations,2013	Within 45 days from the close of each financial year
10	Annual	Business in force (Number of Policies in '000s) Annexure III(b)  Business in force (Sum Assured in Rs. Crs) Annexure III(c)  Details of Forfeiture/Lapse policies in respect of Individual business (within India) separately for Linked and Non-Linked Business Annexure III(d)	Circular No.:  IRDA/ ACT/ CIR/ GEN/ 070/ 03/2017 dated 31.03.2017.	30th June every year
11	Annual	Persistency of Life Insurance Policies	Para 9 of Circular No. IRDA/ACT/CIR/MIS C/035/01/2014 dated 23.01.2014	30th June every year
12	Annual	Financial Condition Report.	APS 3 issued by Institute of Actuaries of India	Within one week from date of presentation in Board
13	Quarterly	Reinsurance Returns:  LR8,	IRDA(Life Insurance-Reinsurance) Regulations,2013	Within 45 days from the end of the quarter

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		Input Reinsurance-11, Statement 1.		
14	Quarterly	ALM (Quarterly) report	IRDA/ACTL/CIR/ALM/005/01/2012 dated 03.01.2012	Within 45 days from the end of each quarter
15	Quarterly	NAV Certification	21/IRDA/Actl/ULIP Oct 2008 dated 27.10.2008	Within 15 days from the end of the quarter
16	Quarterly	KTQ-Quarterly solvency Report	056/IRDA/ACTL/Solvency Margin/Feb 2007 dated 23.02.2007	Within 45 days from the end of the quarter except for the last quarter which is to be submitted as part of annual report

Any other reports or documents as may be required by the Authority.

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**Annexure III B: List of actuarial statements / certificates/ reports to be submitted to the Authority with due dates by General Insurers/Reinsurers/ Stand-alone Health Insurers**

Sr No	Frequency of the statement / certificate/ report	Brief description	Source (Circular/guideline/ Regulation)	Due date
1	Annual	IBNR Report	Circular No.: 11/ IRDA/ ACTL/ IBNR/2005-06 dated 08.06.2005.	Within one month from the date of adoption of accounts by the Board or 30th June, whichever is earlier.
2	Annual	IBNR Additional Tables	Annexure II of Circular No.: IRDAI/ ACT/ CIR/ GEN/ 075/03/2017 dated 31.03.2017	Along with IBNR Report
3	Annual	Financial Condition Report	Annexure III of Circular No.: IRDAI/ ACT/ CIR/ GEN/075/03/2017 dated 31/03/2017	Along with IBNR Report
4	Annual	FCR Tables	Annexure III(a) of Circular No.: IRDAI/ ACT/CIR/GEN/075/03/2017 dated 31.03.2017	Along with IBNR Report
5	Annual	Audited Annual Financial Report along with all the Financial Statements.	IRDA(Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations,2002	Along with IBNR Report
6	Annual	Asset – Liability Management and Stress Testing report	Circular No.: IRDA/ ACTL/ CIR/ ALM/ 006/ 01/ 2012 dated 3rd January, 2012	Along with IBNR Report

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7	Annual	Economic capital Report	Circular No.: IRDA/ACT/CIR/MIS/111/05/2011 dated 25th May, 2011	Along with IBNR Report
8	Quarterly	Reporting of Maintenance of Solvency Margin Ratio	Circular No. 46/IRDA/F&A/Nov.-07	Within 45 days from the end of each quarter
9	Quarterly	Asset – Liability Management report	Circular No.: IRDA/ACTL/ CIR/ ALM/006/ 01/ 2012 dated 3rd January, 2012	Within 45 days from the end of each quarter

Any other reports or documents as may be required by the Authority.

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