



MINUTES OF THE 107th MEETING OF THE AUTHORITY

held on 20th December, 2019 at 10.30 AM at Hyderabad

Present:	Chairman	Dr. Subhash C. Khuntia
	Whole-time Member	Ms. Pournima Gupte
	Whole-time Member	Shri Pravin Kutumbe
	Whole-time Member	Shri Sujay Banarji
	Whole-time Member	Smt. T L Alamelu
	Whole-time Member	Shri K Ganesh
	Part-time Member	Smt. Sushama Nath

Also present:	Designated Officer	Shri M. Pulla Rao, ED (Gen)
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The Chairman welcomed all the Members present. He extended a special welcome to Shri K Ganesh, Whole-time Member (Life), who was attending the meeting for the first time after his appointment. Leave of absence was granted to Shri Debasish Panda and Shri Prafulla P. Chhajed, Part-time Members. Quorum was present.

The agenda items were then taken up for consideration.

4. Annual Statement of Accounts for the year ended 31st March, 2019

4.1 It was submitted that IRDAI maintains its accounts and other relevant records as per the provisions of Section 17 of the IRDA Act, 1999 and Rules prescribed under IRDA (Form of Annual Statement of Accounts and Records) Rules, 2001.

4.2 The Annual Accounts for the year 2018-19 were audited first by the IRDAI Internal Audit Department and later by the Comptroller and Auditor General of India (C&AG). As per the final accounts, the operations in 2018-19 resulted in a surplus of Rs. 98.53 crore as against Rs. 55.29 crore in the previous year. There was no adverse opinion on the annual accounts by the C&AG. The separate audit report issued by the C&AG was placed before the Authority for adoption of the accounts for the year 2018-19.

4.3 The Authority advised to complete the annual accounts in all respects in time each year so as to ensure their laying before the Houses of Parliament before 31st December every year.

4.4 The Authority adopted the IRDAI annual accounts for the year ended 31st March, 2019.

12. Quarterly statement of foreign tours undertaken by Chairman and Members for the period from 1st July, 2019 to 30th September, 2019

The statement was noted by the Authority.

13. Quarterly Statement of regulatory actions taken by Nodal Departments, for the period from 1st July, 2019 to 30th September, 2019

The Authority noted the regulatory actions taken during the quarter ending 30th September, 2019 which included 4 warnings and 4 penalties involving an aggregate sum of Rs 26.00 lakh.

14. List of Circulars/Guidelines issued subsequent to 16th September, 2019 to 10th December, 2019

The Authority noted the circulars issued during the period.

19. Draft IRDAI (Third Party Administrators - Health Services) (Amendment) Regulations, 2019

19.1 It was submitted that while presenting the draft of the captioned regulations before the Authority in its 106th meeting held on 7th October, 2019, in para 2(5), the words, “other than promoters” were inadvertently replaced by “other than investor holding more than ten percent”. When the discrepancy was noticed, it was corrected at the time of publication in the official gazette.

19.2 The Authority ratified the action taken in correcting the inadvertent error.

20. Status of Public Disclosures by Non-Life and Life insurers for the Quarter ended June, 2019 and Half Year ended September, 2019

20.1 The Authority noted that all Life Insurers have complied with all the mandated disclosures on their websites for the quarter ended June 2019 and for the half year ended September 2019, except LIC, which had sought extension for compliance upto 31st December, 2019.

20.2 With respect to Non-Life Insurers, the status of compliance was found wanting in case of National Insurance Co. Ltd which had not uploaded 3 forms for the quarter ended June, 2019. For the quarter ended September, 2019, non-compliance was observed in case of (i) National Insurance Co. Ltd and United India Insurance Co. Ltd., which had not uploaded the forms; (ii) Oriental Insurance Co. Ltd., which had uploaded

only 16 of the 40 forms; (iii) Reliance Health Insurance Co. Ltd. and Acko General Insurance Co. Ltd. had not submitted compliance certificate of newspaper publication.

20.3 The Authority noted the agenda and directed that these companies should be given a week's time for compliance.

21. Implementation of Ind AS in Insurance Sector

21.1 The Authority noted the status of implementation of Ind AS in the insurance sector in India. It was informed that Ind AS 104 (Insurance Contracts), equivalent IFRS 4 and the latter is being phased out internationally. Hence, implementing it afresh now would involve avoidable cost and efforts. Considerable efforts would be required to implement IFRS 17 equivalent in India owing to its operational complexities. Hence, it may not be desirable to implement Ind AS 104 as an interim measure. In addition, implementing Ind AS 109 before IFRS 17 equivalent in India may cause volatility in the financial statements because of asset liability mismatch, Ind AS 109 and Ind AS equivalent of IFRS 17 may be implemented in India simultaneously.

21.2 The Authority deliberated on the various issues which need to be addressed prior to implementation of Ind AS in the insurance sector, including (i) amendments to Section 11 of the Insurance Act, 1938, (ii) re-visiting existing regulations on preparation of financial statements, (iii) Life companies - separation of funds not envisaged under IFRS 17, (iv) issues unique to LIC of India pertaining to single fund of the Corporation and distribution of surplus as envisaged in LIC Act, 1956, (v) taxation matters, and (vi) changes required for various regulatory returns, amongst others.

21.3 After due deliberations, the Authority approved (i) implementation of Ind AS 109 and IFRS 17 equivalent in India simultaneously, along with other applicable Ind ASs, (ii) re-visit existing regulations on preparation of financial statements, (iii) direct the insurers to discontinue submission of proforma Ind AS financial statements being filed effective quarter ending 31st December, 2016 and (iv) to decide on the date for implementation of all applicable Ind ASs after the finalization of IFRS 17 by IASB which is expected during mid 2020.

The meeting ended with a vote of thanks to all Members.

CHAIRMAN