

MINUTES OF THE 47th MEETING OF THE AUTHORITY

held on December 4, 2006 at 11.30 a.m.
in the Office of the IRDA at 3rd Floor, Parishram Bhavan, Basheer Bagh,
Hyderabad.

Present:	Chairman	Shri C. S. Rao
	Member	Shri C. R. Muralidharan
	Member	Shri K K Srinivasan
	Member	Shri Vijay Mahajan
	Invitee	Dr. D V S Sastry
	Invitee	Shri C N S Shastri
Also present:	Executive Director	Shri Prabodh Chander
	Executive Director	Shri K. Subrahmanyam
	Consultant & Special Officer	Shri M M Siddiqui
	Executive Director	Smt V. Vedakumari

Chairman extended a warm welcome to all those who were present. Leave of absence was granted to Part-time members Shri Ashok Chawla, Addl. Secretary, Ministry of Finance, Shri T N Manoharan, President, ICAI and Shri Gautam Hari Singhania, MD, Raymonds Limited.

Item # 1: Confirmation of Minutes of the 46th Meeting of the Authority held on June 19, 2006.

The meeting then took up for consideration the confirmation of Minutes of the 46th Meeting of the Authority held on June 19, 2006.

Since the Minutes were in order it decided to confirm the Minutes.

Resolution No: 46 : 1

Authority resolves to confirm the Minutes of the 46th meeting of the Authority held on June 19, 2006.

Item # 2: Action Taken Report on the Minutes of 46th Meeting of the Authority held on June 19, 2006.

The Authority took note of the Action Taken Report

Item # 3: Adoption of Audited Annual Statements of Accounts of the Authority for the year ended 31st March, 2006

The Authority then took up for adoption the accounts for the year 2005-2006 audited by Comptroller and Auditor General of India (C&AG) and Audit Certificate which was received in the first week of November, 2006.

Resolution No: 47 : 3

IRDA resolves to adopt the audited Annual Statements of Accounts of the Authority for the year ended 31st March, 2006, with the C & AG's Separate Audit Report (SAR) and the Audit Certificate.

Item # 4: Movement of the General Insurance market to a tariff-free environment

Chairman requested Member (Non-Life) to initiate the discussion. Member (Non-Life) briefly narrated the developments since the approval of road map for movement of the general insurance market to a tariff free environment effective from 1st January 2007 at the meeting of the Authority held on 18th August 2005. He explained the detailed consultation process with insurers, transporters and other stake holders since the announcement of road map.

He outlined the consensus of insurers to the de-tariffing process. He explained reservations of transporters group and need for IRDA to address their concern to ensure that compulsory third party insurance is available at equitable prices.

Chairman explained the dialogue process with the Government (including Ministry of Finance and the Ministry of Shipping, Road Transport & Highways). He also made a mention of the discussions and the decision at the meeting of the Consultative committee held in the forenoon of 4th December 2006. IRDA Members thereafter approved the proposals contained in Para 22-25 of the agenda note regarding de-tariffing of the non life insurance market and setting up of an insurance pool by the general insurers for motor third party risks.

Resolution No: 47 : 4

IRDA resolves to approve the proposals contained in Paras 22 to 25 of the agenda note.

Item # 5: Any other Item with the permission of Chair.

Supplementary Agenda Item No: 1

PUBLICITY CAMPAIGN REGARDING DE-TARIFFING

The Authority took up for consideration the proposal for a grant-in-aid in the range of Rs.2 to Rs. 3 crores to the General Insurance Council, for publicity campaign to create awareness amongst policyholders, present and prospective, about the proposed de-tariffing of Fire, Engineering, Motor and Workmen's Compensation Insurance business.

Resolution No: 47 : 5

IRDA resolves to approve in principle the proposal for grant-in-aid to the General Insurance Council in the range of Rs.2 crores to Rs. 3 crores, for publicity campaign to create awareness amongst policyholders about the proposed de-tariffing of non-life insurance business.

Supplementary Agenda Item # 2:

Shri Vijay Mahajan suggested that there should be a review of the crop insurance scheme. Chairman indicated that the Planning Commission would be contacted to find out if a review is being undertaken in the context of the next 5 year plan and a copy obtained. Otherwise Agricultural Insurance Company would be requested to prepare a brief report on the subject.

(C S Rao)
Chairman