



## MINUTES OF THE 69<sup>TH</sup> MEETING OF THE AUTHORITY

held on September 13, 2011 at 11.30 a.m.

in the Office of the IRDA at 3<sup>rd</sup> Floor, Parishram Bhavan, Basheer Bagh, Hyderabad.

<b>Present:</b>	<b>Chairman</b>	<b>Shri J Hari Narayan</b>
	<b>Member</b>	<b>Shri G Prabhakara</b>
	<b>Member</b>	<b>Shri R.K. Nair</b>
	<b>Member</b>	<b>Mr M Ramaprasad</b>
	<b>Part-time Member</b>	<b>Mr Arvind Kumar</b>
	<b>Part-time Member</b>	<b>Mr G Ramaswamy</b>
	<b>Part-time Member</b>	<b>Prof V K Gupta</b>

<b>Also present:</b>	<b>CSO (Life)</b>	<b>Shri Kunnel Prem</b>
	<b>Designated Officer</b>	<b>Shri A Giridhar</b>
	<b>Financial Advisor</b>	<b>Shri Sriram Taranikanti</b>

Chairman extended a warm welcome to all those who were present. Leave of absence was granted Smt. Ela R Bhatt, SEWA who could not attend because of prior commitment.

It was noted that Shri Arvind Kumar, Joint Secretary, Department of Financial Services, Ministry of Finance, was nominated by Government of India in place of Ms. L M Vas, Addl. Secretary, DEA, Ministry of Finance. The Authority resolved to place on record appreciation of the services of Ms. L M Vas.

### **Item # 1: Confirmation of Minutes of the 68th Meeting of the Authority held on June 29, 2011.**

The Authority approved the Minutes of the 68<sup>TH</sup> Meeting of the Authority held on June 29, 2011.

#### **Resolution No: 69:1**

*IRDA resolved to confirm the Minutes of the 68<sup>th</sup> meeting held on June 29, 2011.*

### **Item # 2: Action Taken Report on the Minutes of the 68th Meeting of the Authority held on June 29, 2011**

Noted.

**Item # 3: Approval of the Proposal of Reliance Life Insurance Company Ltd. for induction of Nippon Life Insurance Company Ltd., Japan with 26% equity stake in the insurance venture**

The Board was informed that the Authority was in receipt of application dated August 16, 2011 from RLIC for acquisition of 26 per cent stake by NLIC in RLIC, seeking approval of the Authority in terms of provisions of Circular No. IRDA/F&A/CIR/DRSH/183/2011 dated August 11, 2011, which lays down the framework for approval of the Authority for registration of Transfer of Shares under Section 6A of the Insurance Act, 1938.

The proposed transaction intends transfer of 280,565,510 shares held by Reliance Capital Limited (RCL) and Viscount Management Services (Alpha) Limited in favour NLIC. The divestment by the existing Indian promoters is proposed to the extent of 23.45 per cent of the equity shares of RLIC. In addition, RLIC shall issue fresh shares to NLIC to the extent of 30,478,600 shares viz. 2.55 per cent equity in the insurance venture. The Board noted that the satisfactory due diligence report had been received from the Financial Services Agency (FSA), Government of Japan.

Whilst on this, one of the members sought clarification on whether the issue of fresh shares by RLIC was covered under the provisions of section 6A. It was clarified that Clause B of the Circular No. IRDA/F&A/CIR/DRSH/183/2011 dated August 11 2011 under reference specifically covers “the issue of capital which would result in change in the shareholding pattern of the insurance company”.

The Authority decided to grant its ‘in-principle’ approval to the proposed transaction

**Resolution No: 69:3**

*IRDA hereby resolves to grant “in-principle” approval to the proposed transaction whereby NLIC, Japan shall acquire 26 per cent equity stake in RLIC as a joint venture partner*

**Item # 5: Health Insurance Forum(HIF)**

Approved.

**Item # 6: IRDA Office Procedure Manual**

Sri Sriram Taranikanti, Financial Advisor presented the Item to the Board and requested for consideration and approval for adoption by the Authority. He also informed that once the ERP project of Human Resource Management Systems (HRMS) is implemented, it would be suitably incorporated in the Office Procedure Manual and integrated accordingly.

The Board observed that as the Office Procedure is a matter of detail, the same may not have come to it. ED(Admn) clarified that as it involves the manner in which the internal procedures of IRDA are regulated, the Board needs to be apprised of the same. As some of the Members had not perused the entire item before the Board Meeting, the Board while conveying its approval, decided that orders of adoption may be issued after about seven days by which time, observations, if any, would be communicated. It is also approved that the office procedure manual shall include all the functions of the Authority to include the provisions of the existing circulars as modified to capture the existing practice wherever relevant.

**Additional Agenda Item # 1: CITIZEN'S CHARTER.**

The Board approved to have Citizen's Charter with regard to the functions of the Authority, wherever relevant, however, the exact content of the Charter shall be placed for Boards approval in the next meeting.

In the meanwhile, each department shall be asked to review for any changes and finalize the contents submitted earlier for placing at the next Board meeting.

**Additional Agenda Item # 2: REVIEW OF ALL CASES WHICH ARE PENDING IN IRDA FOR REGISTRATION/CHANGE IN SHAREHOLDING PATTERN/OTHER SUCH ISSUES**

Noted.

**Additional Agenda Item # 3: E-Governance initiatives in IRDA**

Sri Sriram Taranikanti, Financial Advisor presented the item of E-Governance initiatives in IRDA to the Board. In specific, he brought out the initiatives taken by the Authority in respect of Integrated Grievance Management System (IGMS) and Business Analytical Project (BAP). Likewise, he informed that once the IT initiatives fructify, the inconsistencies in information submitted by the insurance companies would get drastically reduced on one hand and on the other, the Authority would be able to focus its efforts for more development initiatives in the insurance sector. Regarding IGMS, on the issue of seamless integration of insurance companies systems with that of the one developed by IRDA, Joint Secretary, Department of Financial Services, Ministry of Finance, informed that the Ministry also advised all the public sector companies to focus on E-Governance and the steps taken in this regard would also facilitate early integration.

There was no other item for discussion and the meeting concluded with vote of thanks to the Chairman.

**(J Hari Narayan)**  
**Chairman**