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भारतीय बीमा विनियामक और विकास प्राधिकरण  
Insurance Regulatory and Development Authority of India

प्रेस विज्ञप्ति  
Press Release

**Moving towards principle based regulations**

*Notification of first consolidated regulation*

In a significant move aimed at promoting a favorable business environment and empowering boards of insurance companies in taking operational decisions with sufficient flexibility, IRDAI had amended the regulations pertaining to expenses of management (EoM) and payment of commissions in March 2023. These amendments aimed to strike a balance between operational flexibility and oversight by capping the EoM limits at the company level (from the erstwhile segmental level) for general and health insurance segments, and streamlining the monitoring process for life insurance. This initiative is part of a broader regulatory overhaul, driven by the objective of transitioning towards principle-based regulations and streamlining the existing array of regulatory stipulations.

Currently, efforts are underway to comprehensively review and consolidate regulations, ensuring a more coherent and efficient regulatory framework for the insurance sector. As a result, the *first consolidated regulation*, **IRDAI (Expenses of Management, including Commission, of Insurers) Regulations, 2024** has been notified on 23<sup>rd</sup> January 2024.

This consolidation is a testament to the commitment of simplifying the regulatory landscape and reducing the burden of compliance on insurance companies. The move not only enhances transparency and accountability but also provides insurers with the flexibility needed to navigate a dynamic business landscape effectively.

As the industry evolves, this forward-thinking approach lays the groundwork for a more robust and adaptable insurance sector, fostering innovation and competitiveness while ensuring the protection of policyholders' interests.

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