

Exposure Draft

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INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA (EXPENSES OF MANAGEMENT, INCLUDING COMMISSION, OF INSURERS) REGULATIONS, 2023

The IRDAI vide its order dated July 29, 2022 directed the Councils to constitute a Regulation Review Committee (RRC) comprising representatives from all stakeholder groups for the purpose of enhancing ease of doing business and simplifying regulations by moving towards principles-based regime with a view to making them more effective.

Further, nine sub-groups drawing representations from various stakeholders were formed. Additionally, industry executives were invited to some of the sub-groups wherever the need for specific domain expertise was deemed necessary.

The RRC recommended IRDAI (Expenses of Management, including commission, of insurers) Regulations, 2023 after repealing the following regulations:

1. Insurance Regulatory and Development Authority of India (Expenses of Management of Insurers transacting General or Health Insurance Business) Regulations, 2023;
2. Insurance Regulatory and Development Authority of India (Expenses of Management of Insurers transacting Life Insurance Business) Regulations, 2023 and
3. Insurance Regulatory and Development Authority of India (Payment of Commission) Regulations, 2023.

IRDAI after considering the recommendations of the RRC and also keeping the interest of the policyholders, the draft on IRDAI (Expenses of Management, including commission, of insurers) regulations, 2023 is prepared and annexed herewith.

The main objective of the proposed draft regulations is to enable and provide flexibility to the insurers to manage their expenses, including commissions, within the overall limits as specified by the Authority to optimally utilize their resources for enhancing benefits to policyholders and to improve insurance penetration.

All the stakeholders are requested to forward their comments / suggestions, if any, on the proposed regulations (Annexure-A) in the attached format (Annexure- B) on or before 5:00 PM on 06 December, 2023 to finance.life@irdai.gov.in with a copy to indradeep.s@irdai.gov.in.
