

**INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY****NOTIFICATION**

Hyderabad, the 16th February, 2013

**Insurance Regulatory and Development Authority****(Investment) (Fifth Amendment) Regulations, 2013**

**F. No. IRDA/Reg./16/74/2013.**—In exercise of the powers conferred by Sections 27A, 27B, 27D and 114A of the Insurance Act, 1938 (4 of 1938), the Authority, in consultation with the Insurance Advisory Committee, hereby makes the following regulations to further amend the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, notified on 16<sup>th</sup> August, 2000 in the Gazette of India and amended on 31<sup>st</sup> May 2001 in the Gazette of India, further amended on 2<sup>nd</sup> April, 2002 in the Gazette of India and further amended on 5<sup>th</sup> January 2004 and further amended on 31<sup>st</sup> Jul, 2008 and further amended on 8<sup>th</sup> Feb, 2013 namely:-

**1. Short title and commencement:**

1. (1) These regulations may be called the Insurance Regulatory and Development Authority (Investment) (Fifth Amendment) Regulations, 2013
- (2) They shall come into force on the date of their publication in the Official Gazette

**2. Amendment to Regulation 2:**

**Regulation 2** of the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 shall be substituted with the following:-

**“Definitions**

2. In these regulations, unless the context otherwise requires,—

- (a) “Act” means the Insurance Act, 1938 (4 of 1938)
- (b) “Accretion of funds” means investment income, gains on sale/redemption of existing investment and operating surplus
- (c) “Accounting Standard” (AS) means: Accounting Standard as recommended by the Institute of Chartered Accountants of India and notified by the Central Government under the Companies Act, 1956 or any successor enactment thereunder
- (d) “Authority” means the Insurance Regulatory and Development Authority established under sub-section (1) of section 3 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999)
- (e) “Financial Derivatives” means a derivative as defined under clause (aa) of section 2 of the Securities Contracts (Regulation) Act, 1956, and includes a contract which derives its value from interest rates of underlying debt securities and such other derivative contracts as may be stipulated by the Authority, from time to time
- (f) “Group” means: two or more individuals, association of individuals, firms, trusts, trustees or bodies corporate, or any combination thereof, which exercises, or is established to be in a position to exercise, significant influence and / or control, use of common brand names, directly or indirectly, over any

associate as defined in AS 23, body corporate, firm or trust, or (ii) Associated persons, as may be stipulated by the Authority, from time to time, by issuance of guidelines under these regulations.

(g) "**Investment Assets**" mean all investments made out of:

(1) in the case of a Life Insurer

- (a) shareholders' funds representing solvency margin, non-unit reserves of unit linked insurance business, participating and non-participating funds of policyholders at their carrying value
- (b) policyholders' funds of Pension, Annuity business and Group business at their carrying value
- (c) policyholders' unit reserves of unit linked insurance business at their market value as per guidelines issued under these regulations, from time to time

(2) in the case of a General Insurer

- (a) shareholders' funds representing solvency margin and policyholders funds at their carrying value

as shown in its balance sheet drawn as per the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2000, but excluding items under the head 'Miscellaneous Expenditure'

(h) **Money Market Instruments**

Money Market Instruments shall comprise of Short term funds with maturity not more than one year comprising of the following instruments:

1. Certificate of deposit rated by a credit rating agency registered under SEBI (Credit Rating Agencies) Regulations, 1999
2. Commercial paper rated by a credit rating agency registered under SEBI (Credit Rating Agencies) Regulations, 1999
3. Repos, Reverse Repo
4. Treasury Bills
5. Call, Notice, Term Money
6. CBLO as per Schedules I and II of these Regulations.
7. Any other instrument as may be prescribed by the Authority

(i) "**Promoter**" means a promoter as defined under Regulation 2 (m) of IRDA (Issuance of Capital by Life Insurance Companies) Regulations, 2011

(j) "**Principal Officer**" means any person connected with the management of an insurer or any other person upon whom the Authority has served notice of its intention of treating him as the principal officer thereof.

(k) All words and expressions used herein and not defined but defined in the Insurance Act, 1938 (4 of 1938), or in the Insurance Regulatory and Development Act, 1999 (41 of 1999), or in any Rules or Regulations made thereunder, shall have the meanings respectively assigned to them in those Acts or Rules or Regulations"

### 3. Amendment of Regulation 3:

Regulation 3 of the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 shall be substituted with the following:-

#### "Regulation of Investments

3. A life insurer, for the purpose of these Regulations, shall invest and at all times keep invested, the Investment Assets forming part of the Controlled Fund as defined in Section 27A of the Act as under:

- a. all funds of Life insurance business and One Year Renewable pure Group Term Assurance Business (OYRGTA), and non-unit reserves of all categories of Unit linked life insurance business, as per Regulation 4
- b. all funds of Pension, Annuity and Group Business [as defined under Regulation 2 (d) of IRDA (Actuarial Report and Abstract) Regulations, 2000] as per Regulation 5; and
- c. the unit reserves portion of all categories of Unit linked funds, as per Regulation 6”

**4. Insert New Regulation 4:**

Insert the following **New Regulation 4** to the Insurance Regulatory and Development Authority (Investment) Regulations, 2000:-

“4. Without prejudice to Sections 27 or 27A of the Act, every insurer carrying on the business of Life Insurance, shall invest and at all times keep invested his Investment Assets as defined in Regulation 3 (a) (other than funds relating to Pension & General Annuity and Group Business and unit reserves of all categories of Unit Linked Business) in the following manner:

No	Type of Investment	Percentage to funds as under Regulation 3(a)
(i)	Central Government Securities	Not less than 25%
(ii)	Central Government Securities, State Government Securities or Other Approved Securities	Not less than 50% (incl (i) above)
(iii)	Approved Investments as specified in Section 27A of the Act and Other Investments as specified in Section 27A(2) of the Act and Schedule I to these Regulations, (all taken together) subject to Exposure / Prudential Norms as specified in Regulation 9:	Not exceeding 50%
(iv)	Other Investments as specified under Section 27A (2) of the Act, subject to Exposure / Prudential Norms as specified in Regulation 9:	Not exceeding 15%
(v)	Investment in housing and infrastructure by way of subscription or purchase of: <p><b>A. Investment in Housing</b></p> <ol style="list-style-type: none"> <li>a. Bonds / debentures of HUDCO and National Housing Bank</li> <li>b. Bonds / debentures of Housing Finance Companies either duly accredited by National Housing Banks, for house building activities, or duly guaranteed by Government or carrying current rating of not less than 'AA' by a credit rating agency registered under SEBI (Credit Rating Agencies) Regulations, 1999</li> <li>c. Asset Backed Securities with underlying housing loans, satisfying the norms specified in the guidelines issued under these regulations from time to time.</li> </ol> <p><b>B. Investment in Infrastructure</b></p> <p>(Explanation: Subscription or purchase of Bonds /</p>	Total Investment in housing and infrastructure (i.e.,) investment in categories (i), (ii), (iii) and (iv) above taken together shall not be less than 15% of the fund under Regulation 3(a)

No	Type of Investment	Percentage to funds as under Regulation 3(a)
	<p><i>Debentures, Equity and Asset Backed Securities with underlying infrastructure assets would qualify for the purpose of this requirement.</i></p> <p><i>'Infrastructure facility' shall have the meaning as given in clause (h) of regulation 2 of Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Amendment Regulations, 2008 as amended from time to time</i></p> <p><i>Note: Investments made under category (i) and (ii) above may be considered as investment in housing and infrastructure, provided the respective government issues such a security specifically to meet the needs of any of the sectors specified as 'infrastructure facility'</i></p>	

**5. Insert New Regulation 5:**

Insert the following New Regulation 5 to the Insurance Regulatory and Development Authority (Investment) Regulations, 2000:-

*"5. Without prejudice to Sections 27 or 27A of the Act, every insurer carrying on Pension, Annuity and Group Business [as defined under Regulation 2 (d) of IRDA (Actuarial Report and Abstract) Regulations, 2000] shall invest and at all times keep invested his Investment Assets of Pension, Annuity and Group business in the following manner:*

No	Type of Investment	Percentage to funds under Regulation 3(b)
(i)	Central Government Securities	Not less than 20%
(ii)	Central Government Securities, State Government Securities or Other Approved Securities	Not less than 40% (incl (i) above)
(iii)	Balance to be invested in Approved Investments, as specified in Schedule I, subject to Exposure / Prudential norms as specified in Regulation 9.	Not exceeding 60%

*Note: For the purposes of this regulation no investment falling under 'Other Investments' as specified under 27A (2) of the Act shall be made"*

**6. Insert New Regulation 6:**

Insert the following New Regulation 6 to the Insurance Regulatory and Development Authority (Investment) Regulations, 2000:-

*"6. Unit Linked Insurance Business: - Every insurer shall invest and at all times keep invested his segregated fund(s) under Regulation 3(c) (with underlying securities at custodian level) of Unit linked business as per pattern of investment offered to and approved by the policy-holders where the units are linked to categories of assets which are both marketable and easily realizable. However the investment in Approved Investments shall not be less than 75% of such fund(s) in each such segregated fund"*

**7. Amendment to Regulation 4:**

**Regulation 4** of the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, shall be substituted with the following:-

**“Regulation of Investments**

7. *General Insurance Business – without prejudice section 27B of the Act, every General insurer (including Health insurer) shall invest and at all times keep invested his investment assets in the manner set out below:*

No	Type of Investment	Percentage of Investment Assets
(i)	Central Government Securities	Not less than 20%
(ii)	Central Government Securities, State Government Securities or Other Approved Securities	Not less than 30% (incl (i) above)
(iii)	Approved Investments as specified in Section 27B of the Act and Other Investment as specified in Section 27B(3) of the Act and Schedule II to these Regulations, (all taken together) subject to Exposure / Prudential Norms as specified in Regulation 9:	Not exceeding 70%
(iv)	Other investments as specified under Section 27B (3) of the Act, subject to Exposure / Prudential Norms as specified in Regulation 9:	Not more than 25%
(v)	<p>Housing and loans to State Government for Housing and Fire Fighting equipment, by way of subscription or purchase of:</p> <p><b>A. Investments in Housing</b></p> <p>a. Bonds / Debentures issued by HUDCO, National Housing Bank</p> <p>b. Bonds / debentures of Housing Finance Companies either duly accredited by National Housing Banks, for house building activities, or duly guaranteed by Government or carrying current rating of not less than 'AA' by a credit rating agency registered under SEBI (Credit Rating Agencies) Regulations, 1999</p> <p>c. Asset Backed Securities with underlying Housing loans, satisfying the norms specified in the Guidelines issued under these regulations from time to time.</p> <p><b>B. Investment in Infrastructure</b></p> <p>(Explanation: Subscription or purchase of Bonds/ Debentures, Equity and Asset Backed Securities with underlying infrastructure assets would qualify for the purpose of this requirement.</p>	<p>Total Investment in housing (i.e.) investment in categories (i), (ii), (iii) and (iv) above taken together shall not be less than 5% of the Investment Assets.</p> <p>Total Investment in Infrastructure (i.e.) investment in categories (i), (ii), (iii) and (iv) above taken together shall not be less than 10% of the Investment</p>

No	Type of Investment	Percentage of Investment Assets
	<p data-bbox="440 252 1063 415"><i>'Infrastructure facility'</i> shall have the meaning as given in clause (h) of regulation 2 of Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) (Amendment) Regulations, 2008 as amended from time to time.</p> <p data-bbox="351 451 1063 621"><b>Note:</b> Investments made under category (i) and (ii) above may be considered as investment in housing or infrastructure, as the case may be, provided the respective government issues such a security specifically to meet the needs of any of the sectors specified as 'infrastructure facility'</p>	<p data-bbox="1172 252 1255 278">Assets.</p>

**8. Insert New Regulation 8:**

Insert the following New Regulation 8 to the Insurance Regulatory and Development Authority (Investment) Regulations, 2000:-

**8. Reinsurance Business** – Every re-insurer carrying on re-insurance business in India shall invest and at all times keep invested his investment assets in the same manner as set out in Regulation 7

**9. Amendment of Note appended at the end of Regulation 4:**

Note appended at the end of Regulation 4 of the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, shall be substituted with the following:-

**"Note – For the purpose of Regulations 3 to 8:**

1. All investment in assets or instruments, which are capable of being rated as per market practice, shall be made on the basis of credit rating of such assets or instruments. No approved investment shall be made in instruments, if such instruments are capable of being rated, but are not rated.
2. The rating should be done by a credit rating agency registered under SEBI (Credit Rating Agencies) Regulations, 1999.
3. Corporate bonds or debentures rated not less than AA or its equivalent and P1 or equivalent ratings for short term bonds, debentures, certificate of deposit and commercial paper, by a credit rating agency, registered under SEBI (Credit Rating Agencies) Regulations, 1999 would be considered as 'Approved Investments'.
4. The rating of a debt instrument issued by All India Financial Institutions recognized as such by RBI shall be of 'AA' or equivalent rating. In case investments of this grade are not available to meet the requirements of the investing insurance company, and Investment Committee of the investing insurance company is fully satisfied about the same, then, for the reasons to be recorded in the Investment Committee's minutes, the Investment Committee may approve investments in instruments carrying current rating of not less than 'A+' or equivalent as rated by a credit rating agency, registered under SEBI (Credit Rating Agencies) Regulations, 1999, would be considered as 'Approved Investments'.
5. Approved Investments under regulations 4, 5, 6, 7 and 8 which are downgraded below the minimum rating prescribed should be automatically re-classified under 'Other Investments' category for the purpose of pattern of investment.

6. Investments in equity shares listed on a registered stock exchange should be made in actively traded and liquid instruments viz., equity shares other than those defined as thinly traded as per SEBI Regulations and guidelines governing mutual funds issued by SEBI from time to time.
- 7 (a) Not less than 75% of investment in debt instruments (including Central Government Securities, State Government Securities or Other Approved Securities) in the case of life insurer and not less than 65% of investment in debt instruments (including Central Government Securities, State Government Securities or Other Approved Securities) in the case of general insurer - shall be in sovereign debt, AAA or equivalent rating for long term and sovereign debt, P1+ or equivalent for short term instruments. This shall apply at segregated fund(s) in case of Unit linked business.
- (b) Not more than 5% of funds under Regulation 3 (a) and Regulation 3 (c) in debt instruments (including Central Government Securities, State Government Securities or Other Approved Securities) in the case of life insurer and not more than 8% of investment in debt instruments (including Central Government Securities, State Government Securities or Other Approved Securities) in the case of general insurer - shall have a rating of A or below or equivalent rating for long term.
- (c) No investment can be made in other investments out of funds under Regulation 3 (b).
- (d) Investments in debt instruments rated AA - (AA minus) or below shall form part of Other Investments.
8. Notwithstanding the above, it is emphasized that rating should not replace appropriate risk analysis and management on the part of the Insurer. The Insurer should conduct risk analysis commensurate with the complexity of the product(s) and the materiality of their holding, or could also refrain from such investments.

#### 10. Amendment of Regulation 5:

Regulation 5 of the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, shall be substituted with the following:-

#### 9. Exposure / Prudential Norms

Without prejudice to anything contained in Sections 27A and 27B of the Act every insurer shall limit his investment as per the following exposure norms:

##### A. Exposure norms for investment assets of:

1. (a) all funds of Life, insurance business and One Year Renewable pure Group Term Assurance Business (OYRGTA), and non-unit reserves of all categories of Unit linked life insurance business.
- (b) all funds of Pension, Annuity and Group Business [as defined under Regulation 2 (d) of IRDA (Actuarial Report and Abstract) Regulations, 2000].
- (c) the unit reserves portion of all categories of Unit linked funds, as per Regulation 6" Life, Pension, Annuity and Group business and each segregated fund within Unit Linked Insurance business (except for promoter group exposure).
2. General Insurance business,
3. Re-insurance Business

for both Approved Investments as per the Act, Schedule I and Schedule II of these Regulations, and Other Investments as permitted under 27A(2) and 27B(3) of the Act shall be as under.

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B. The maximum exposure limit for a single 'investee' company (equity, debt and other investments taken together) from all investment assets under point (A.1.a, A.1.b, A.1.c all taken together), (A.2) and (A.3) mentioned above, shall not exceed the lower of the following;

- (i) an amount of 10% of investment assets as under Regulation 2 (g) (1), Regulation 2 (g) (2)  
(ii) an aggregate of amount calculated under point (a) and (b) of the following table

Type of Investment (1)	Limit for 'Investee' Company (2)	Limit for the entire Group of the Investee Company (3)	Limit for Industry Sector to which Investee Company belongs (4)
<p>a. Investment in 'Equity', Preference Shares, Convertible Debentures</p>	<p>10% * of Outstanding Equity Shares (Face Value)  or  10% of the amount under point A.1.(a) or A.1.(b) or A.1.(c) above considered separately in the case of Life insurers / amount under A.2 or A.3 in the case of General Insurer / Re-insurer  <b>whichever is lower</b></p>	<p>Not more than 15% of the amount under point A.1.(a) or A.1.(b) or A.1.(c) or A.2 or A.3 or 15% of investment Assets in all companies belonging to the group, whichever is lower  Exposure to Investments made in companies belonging to Promoter Group shall be made as per Point 7 under notes to Regulation 9</p>	<p>Investment by the insurer in any industrial sector should not exceed 15% of the amount under point A.1.(a) or A.1.(b) or A.1.(c) or A.2 or A.3 or or 15% of investment Asset, whichever is lower  <b>Note: Industrial Sector shall be classified in the lines of National Industrial Classification (All Economic Activities) - 2008 [NIC] for all sectors, except infrastructure sector. Exposure shall be calculated at Division level from A to R. For Financial and Insurance Activities sector exposure shall be at Section level.</b></p>
<p>b. Investment in Debt / Loans and any other permitted Investments as per Act / Regulation other than item 'a' above.</p>	<p>10% * of the Paid-up Share capital, Free reserves (excluding revaluation reserve) and Debentures / Bonds of the 'Investee' company  or  10% amount under point A.1.(a) or A.1.(b) or A.1.(c) above considered separately in the case of Life insurers. An amount under A.2 or A.3 in the case of General Insurer / Re-insurer  <b>whichever is lower.</b></p>		<p>Exposure to 'infrastructure' investments are subject to Note: 1, 2, 3 and 4 mentioned below</p>

\* In the case of insurers having investment assets within the meaning of Regulation 2 (g) (1) and Regulation 2 (g) (2) of the under mentioned size, the (\*) marked limit in the above table for investment in equity, preference shares, convertible debentures, debt, loans or any other permitted investment under the Act / Regulations, shall stand substituted as under:



Investment assets	Limit for 'investee' company	
	Equity	Debt
Rs 250000 Crores or more	15% of outstanding equity shares (face value)	15% of paid up share capital, free reserves (excluding revaluation reserve) & debentures / bonds
Rs. 50000 Crores but less than Rs. 250000 Crores	12% of outstanding equity shares (face value)	12% of paid up share capital, free reserves (excluding revaluation reserve) & debentures / bonds
Less than Rs. 50000 Crores	10% of outstanding equity shares (face value)	10% of paid up share capital, free reserves (excluding revaluation reserve) & debentures / bonds

**Note:**

- 1 Industry sector norms shall not apply for investments made in 'Infrastructure facility' sector as defined under Regulation 2(h) of IRDA (Registration of Indian Insurance Companies) Regulations, 2000 as amended from time to time. NIC classification shall not apply to investments made in 'Infrastructure facility'.
- 2 Investments in Infrastructure Debt Fund (IDF), backed by Central Government as approved by the Authority, on a case to case basis shall be reckoned for investments in Infrastructure.
- 3 Exposure to a public limited 'Infrastructure investee company' will be 20% of outstanding equity shares (face value) in case of equity (or) 20% of equity plus free reserves (excluding revaluation reserve) plus debentures / bonds taken together, in the case of debt (or) amount under Regulation 9 (B) (i), whichever is lower. The 20% mentioned above, can be further increased by an additional 5%, in case of debt instruments alone, with the prior approval of Board of Directors. The outstanding tenure of debt instruments, beyond the exposure prescribed in the above table, in an infrastructure Investee Company, should not be less than 5 years at the time of investment. In case of Equity investment, dividend track record as per Sec 27A (1) (l) and 27B (1) (h) of the Act, in the case of primary issuance of a wholly owned subsidiary of a Corporate / PSU shall apply to the holding company. However all investments made in an 'infrastructure investee company' shall be subject to group / promoter group exposure norms.
- 4 An insurer can, at the time of investing, subject to group / promoter group exposure norms, invest a maximum of 20% of the project cost (as decided by a competent body) of an Public Limited Special Purpose Vehicle (SPV) engaged in infrastructure sector (or) amount under Regulation 9 (B) (i), whichever is lower, as a part of Approved Investments provided:
  - a. such investment is in Debt
  - b. the parent company guarantees the entire debt extended and the interest payment of SPV
  - c. the principal or interest, if in default and if not paid within 90 days of the due date, such debt shall be classified under other investments.
  - d. the latest instrument of the parent company (ies) has (have) rating of not less than AA
  - e. such guarantee of the parent company (ies) should not exceed 20% of net worth of parent company (ies) including the existing guarantees, if any, given
  - f. the net worth of the parent company (ies), if unlisted, shall not be less than Rs. 500 crores or where the parent company (ies) is listed on stock exchanges having nationwide terminals, the net worth shall not be less than Rs. 250 Crores.

Investment Committee should continuously evaluate the risk of such investments and take necessary corrective actions where the parent company (ies) is floating more than one SPV.

- 5 Investment in securitized assets [Mortgaged Backed Securities (MBS) / Asset Backed Securities (ABS) / Security Receipts (SR) both under approved and other investment category shall not exceed 10% of Investment Assets in case of Life companies and 5% of Investment Asset in the case of Non-life companies. Approved Investment in MBS / ABS with underlying Housing or Infrastructure Assets shall not exceed 10% of investment assets in the case of life companies and not more than 5% of investment assets in the case of non-life companies. Any MBS / ABS with underlying housing or infrastructure assets, if downgraded below AAA or equivalent, shall be reclassified as Other Investments.
- 6 Investment in immovable property covered under Section 27A (1) (n) of the Act shall not exceed, at the time of investment, 5% of (a) Investment Assets in the case of general insurer and (b) 5% of Investment Assets of funds relating to life funds, pension, annuity and group funds in the case of life insurer.
- 7 Subject to exposure limits mentioned in the table above, an insurer shall not have investments of more than 5% in aggregate of its total investments in all companies belonging to the promoters' groups. Investment made in all companies belonging to the promoters' group shall not be made by way of private placement (equity) or in unlisted instruments (equity, debt, certificate of deposits and fixed deposits (without prejudice to Section 27A (9) and Section 27B (10) of the Act) held in a Scheduled Commercial Bank), except for companies formed by Insurers under Sec 27A (4) or Sec 27B (5) of the Act.
- 8 The exposure limit for financial and insurance activities (as per Section K of NIC classification - 2008) shall stand at 25% of investment assets for all insurers.
- 9 Investment in fixed deposit and certificate of deposit of a Scheduled Bank shall be made in terms of the provisions of Section 27A (9) and Section 27B (10) of the Act. Such investments would not be deemed as exposure to financial and insurance activities (as per Section K of NIC classification - 2008).

**7. Amendment of Regulation 6:**

**Regulation 6** of the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, shall be substituted with the following:-

**"10. Returns to be submitted by an Insurer**

Every insurer shall submit to the Authority the following returns within such time, at such intervals duly verified/certified in the manner as indicated there against.

No	Form	Description	Periodicity of Return	Time limit for submission	Verified / Certified by
1	Form 1	Statement of Investment and Income on Investment	Quarterly	Within 30 days of the end of the Quarter	Principal Officer / Chief of (Investments)/Chief of (Finance)
2	Form 2 (Part A, B)	Statement of Downgraded Investments, Details of Rated Instruments	Quarterly	Within 30 days of the end of the Quarter	Principal Officer / Chief of (Investments)/Chief of (Finance)
3	Form 3A (Part A, B, C, D,E)	Statement of Investments Assets (Life Insurers)	Quarterly	Within 30 days of the end of the Quarter	Principal Officer / Chief of (Investments)/Chief of (Finance)
4	Form 3B (Part A, B)	Statement of Investment Assets	Quarterly	Within 30 days of the	Principal Officer / Chief of

No	Form	Description	Periodicity of Return	Time limit for submission	Verified / Certified by
		(General Insurance & Re-insurer)		end of the Quarter	(Investments)/Chief of (Finance)
5	Form 4 (Part A)	Exposure / Prudential and other Investment Norms – Compliance Certificate	Quarterly	Within 30 days of the end of the Quarter	Principal Officer, Chief of (Investments), Chief of (Finance)
6	Form 4 (Part B)	Internal / Concurrent Auditor's Certificate on Investment Risk Management Systems - Implementation Status	Quarterly	Within 30 days of the end of the Quarter	Internal / Concurrent Auditor appointed under this regulation
7	Form 4A (Part A, B, C)	Statement of Investment Subject to Exposure Norms – Investee Company, Group, Promoter Group, Industry Sector	Quarterly	Within 30 days of the end of the Quarter	Principal Officer / Chief of (Investments)/Chief of (Finance)
8	Form 5	Statement of Investment Reconciliation	Quarterly	Within 30 days of the end of the Quarter	Principal Officer / Chief of (Investments)/Chief of (Finance)
9	Form 5A	Statement of Investment in Mutual Funds	Quarterly	Within 30 days of the end of the Quarter	Principal Officer / Chief of (Investments)/Chief of (Finance)
10	Form 6	Certificate under sections 28 (2A), 28 (2B) and 28B (3) of the Insurance Act, 1938	Quarterly	Within 30 days of the end of the Quarter	Chairman, Director 1, Director 2, Principal Officer
11	Form 7	Statement of Non-Performing Assets	Quarterly	Within 30 days of the end of the Quarter	Principal Officer / Chief of (Investments)/Chief of (Finance)

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**Note:**

1. *The Internal / Concurrent Audit Report of the previous quarter with comments of Audit Committee of the Board, on 'very serious', 'serious' points (as per the Technical Guide on Internal / Concurrent Audit of Investment functions of Insurance Companies, issued by the Institute of Chartered Accountants of India) in the report, and status of implementation of Audit committee recommendation shall be filed with the Authority along with current quarter returns.*
2. *All returns for the quarter ending March shall be filed within the period stipulated above based on provisional figures and later re-submitted with Audited figures within 15 days of adoption of accounts by the Board of Directors.*

**8. Amendment of Regulation 7:**

**Regulation 7** of the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, shall be substituted with the following:-

**11. Power to call for additional information.**

*The authority may, by general or special order, require from the insurers such other information in such manner, intervals and time limit as may be specified therein.*

**9. Amendment of Regulation 8:**

**Regulation 8** of the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, shall be substituted with the following:-

**12. Duty to Report extraordinary events affecting the investment portfolio.**

*Every insurer shall report to the Authority forthwith, the effect or the probable effect of any event coming to his knowledge, which could have material adverse impact on the investment portfolio and consequently on the security of policy-holder benefits or expectations.*

**10. Amendment of Regulation 9:**

**Regulation 9** of the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, shall be substituted with the following:-

**"13. Provisions on Investment Management****A. Constitution of Investment Committee**

1. *Every insurer shall constitute an Investment Committee which shall consist of a minimum of two non-executive directors of the Insurer, the Chief Executive Officer, Chief of Finance, Chief of Investment division, and wherever an appointed actuary is employed, the Appointed Actuary. The decisions taken by the Investment Committee shall be recorded and be open to inspection by the officers of the Authority.*

**B. Investment Policy**

1. *Every Insurer shall draw up, an Investment Policy (fund wise IP in the case of Unit Linked Insurance Business) and place the same before its Board of Directors for its approval and its annual review.*
2. *Every insurer shall have a model code of conduct to prevent insider / personal trading of Officers involved in various levels of Investment Operations in compliance with SEBI (Prohibition of Insider Trading) Regulation, 1992 as amended from time to time and place the same before its Board of Directors for its approval.*
3. *While framing the Investment Policy, the Board shall ensure compliance with the following:*

- (i) *Issues relating to liquidity, prudential norms, exposure limits, stop loss limits including securities trading, management of all investment risks, management of assets liabilities mismatch, Scope of*

*Internal or Concurrent audit of Investments and investment statistics and all other internal controls of investment operations, the provisions of the Insurance Act, 1938 and Insurance Regulatory and Development Authority (Investment) Regulations, 2000, Guidelines and Circulars made there under.*

- (ii) *Ensuring adequate return on policyholders and shareholders' funds consistent with the protection, safety and liquidity of such fund(s).*
4. *The investment policy of both Life and Non-Life insurers, as approved by the Board shall be implemented by the investment committee. The Board shall review on a quarterly basis the monitoring of fund wise and product wise performance.*
5. *The Board shall review the investment policy and its implementation on a half-yearly basis or at such short intervals as it may decide and make such modification to the investment policy as is necessary to bring it in line with the investment provisions laid down in the Act and Regulations made there under, keeping in mind protection of policyholders' interest and pattern of investment laid down in these regulations or in terms of the agreement entered into with the policyholders in the case of unit linked insurance business.*

#### **C. Investment Operations**

1. *The funds of the insurer shall be invested and continued to be invested in equity shares, equity related instruments and debt instruments rated as per Note below Regulations 3 to 8 by a credit rating agency, registered under SEBI (Credit Rating Agencies) Regulations, 1999. The Board shall lay down clear norms for investing in 'Other Investments' as specified under sections 27A(2) and 27B(3) of the Insurance Act, 1938 by the investment committee, taking into account the safety and liquidity of the policyholders' funds and protection of their interest.*
2. *As required under Chapter II, Regulation 7 (c) of IRDA (Registration of Indian Insurance Companies) Regulations, 2000, to ensure proper internal control of investment functions and operations the insurer shall clearly segregate the functions and operations of front, mid and back office (as provided in the Technical Guide on Internal / Concurrent Audit of Investment functions of Insurance Companies issued by the Institute of Chartered Accountants of India) and no function falling under Front, Mid and Back Office Investment function(s), shall be outsourced. Also, the primary data server of the computer application used for investment management shall remain within the country.*

#### **D. Processing of Unit Linked Business Applications and Declaration of NAV**

1. *All applications received for premium payment, switches, redemption, surrender, maturity claim etc., should be time stamped and dated.*
2. **Applications for "premium payment"**
- a. *for applications received, with local cheques, cash or demand draft payable at par at the place where the premium is received, before cut-off time (3.00 pm) on a business day, the applicable NAV would be the closing NAV of the same day.*
- b. *for applications received, along with local cheques, cash or demand draft payable at par at the place where the premium is received, after cut-off time (3.00 pm) on a business day, the applicable NAV would be the closing NAV of the next business day.*
- c. *for premiums received with an outstation cheque or demand draft, the closing NAV of the day on which the cheque / Demand Draft is realized shall be applied.*

3. **Applications for "other than" premium payment**
  - a. for applications received **before the cut-off time** (3.00 pm) on a business day, the applicable NAV would be the closing NAV of the same day.
  - b. for applications received, **after the cut-off time** (3.00 pm) on a business day, the applicable NAV would be the closing NAV of the next business day.
4. **Daily disclosure / reconciliation of Product and Fund information**
  - a. Every insurer doing Unit linked business shall reconcile, through the system, the premium received (net of charges and benefits paid) under each product (Unique Identification Number – UIN) with value of all the segregated fund(s) (Segregated Fund Identification Number – SFIN) net of fund management charges, held under a single UIN, **on a day to day basis**.
  - b. The insurer shall disclose UIN wise reconciliation (as in point 'a' above) and the value of policy wise units held by policyholder on the insurers website and fund wise NAV (SFIN wise) on both the Insurer's website and life council website on the same day.
  - c. The internal / concurrent Auditor shall report on the automated system and process to handle the UIN wise reconciliation (as in point 'a' above) and value of policy wise units held by policyholder and fund wise NAV, on a quarterly basis
5. **Applicable NAV for the applications received on the last business day of the Financial Year**
  - a. for applications received on the last business day of the financial year **UP TO 3.00 pm** shall be processed with NAV of the last business day (irrespective if the payment instrument is local or outstation)
  - b. for applications received **AFTER 3.00 pm** on the last business day, the same shall fall into the next Financial Year and NAV of the immediate **next business day** would be applicable.
  - c. The insurer shall declare NAV for the last business day of a Financial Year, even if it is a non business day.
6. For allotment of units, the applicable NAV shall be as per the date of commencement of policy for new policy contracts and date of receipt of premium for renewals.
7. All Insurers shall file a certificate, issued by Internal / Concurrent Auditor for compliance of each of the directions issued at point 5 above, regarding the applicable NAV for applications received on the last business day. The Statutory Auditors shall also confirm the same in the Annual Accounts.

**Note:**

**Business day** shall mean days other than holidays where stock exchanges with national wide terminals are open for trade (other than day on which exchanges are open for testing) or any day declared by the Authority as business day.

**E. Risk Management Systems and its Review**

1. The Board shall implement the Investment Risk Management Systems and Process, mandated by the Authority. The implementation shall be certified by a Chartered Accountant firm, as per the procedure laid down in the "Technical Guide on Review and Certification of Investment Risk Management Systems and Process of Insurance Companies", issued by the Institute of Chartered Accountants of India, as amended from time to time.
2. The Investment Risk Management Systems and Process shall be reviewed at the beginning of every second financial year or such shorter frequency as decided by the Board of the Insurer, by a Chartered Accountant firm and file the certificate issued by such Chartered Accountant, with the Authority along with the first quarter returns.
3. The appointment of Chartered Accountant firm to certify implementation and review of Investment Risk Management Systems and Process shall be as per the circular issued under these regulations.

**F. Audit and Reporting to Management**

1. Every Insurer shall constitute an Audit Committee of the Board. The Audit Committee shall be headed by a Chartered Accountant, if he is a member in the Board of the Insurer.
2. The Insurer shall have the investment transactions covering both Shareholders and Policyholders funds be audited through Internal or Concurrent Auditor as per the circular issued under this regulation.
3. The quarterly internal / concurrent audit report, covering investments of both shareholders as well as policyholders, shall be as per the "Technical Guide on Internal / Concurrent Audit of Investment functions of Insurance Companies" issued by the Institute of Chartered Accountants of India, as amended from time to time.
4. The Details of Investment Policy, implementation status of Investment Risk Management Systems and Process or its review shall be made available to the internal or concurrent auditor. The auditor shall comment on such review and its impact on the investment operations, systems and process in their report to be placed before the Board's Audit Committee.

**G. Category of Investments**

1. Every Insurer shall invest all his fund(s) only within the exhaustive category of investments listed in the guidelines issued by the Authority, as amended from time to time.

**H. Others**

1. The Authority may call for further information from time to time from the insurer as it deems necessary and in the interest of policyholders and issue such directions to the insurers as it thinks fit.

**11. Amendment of Regulation 10:**

Regulation 10 of the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, shall be substituted with the following:-

**14. Miscellaneous.**

1. Accounting of Investments shall be as per the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2000 and Valuation of Assets shall be as per guidelines issued under these regulations from time to time.
2. The Authority may, by any general or special order, modify or change the application of sub-regulations (3), (4), (5), (6), (7), (8), (9) and (10) to any insurer either on its own or on an application made to it.

**12. Amendment of Regulation 11:**

Regulation 11 of the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, shall be substituted with the following:-

**"15. Dealing in Financial Derivatives**

1. Every Insurer carrying on the business of life insurance or general insurance may deal in financial derivatives only to the extent permitted and in accordance with the guidelines issued by the Authority in this regard from time to time.
2. Any margin or unamortized premium paid by any insurer in connection with the financial derivatives to the extent they are reflected as asset position in the balance sheet of the insurer in accordance with the guidelines issued by the Authority, shall be treated as 'Approved Investment' under Schedule I and Schedule II to these Regulations, only to the extent the derivative position constitutes a hedge for the underlying investment or portfolio which itself is treated as an approved investments under these

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regulations. All other margins or unamortized premium paid, to the extent reflected in the balance sheet of the insurer in accordance with the guidelines issued by the Authority in this regard from time to time, shall be treated as 'Other Investments'

### 13. Amendment of Schedule I:

Schedule I of the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 shall be substituted with the following:-

#### Schedule I

(See Regulation 3 to 6)

#### List of Approved Investments for Life Business

'Approved Investments' for the purposes of section 27A of the Act shall consist of the following:

- a) all investments specified in section 27A of the Act except
  - (i) clause (b) of sub-section (1) of section 27A of the Act;
  - (ii) first mortgages on immovable property situated in another country as stated in clause (m) of sub-section (1) of section 27A of the Act;
  - (iii) Immovable property situated in another country as stated in clause (n) of sub-section (1) of section 27A of the Act.
- b) In addition the following investments shall be deemed as approved investments by the Authority under the powers vested in it vide clause (s) of sub-section (1) of section 27A of the Act.
  - (i) All loans secured as required under the Act, rated debentures (including bonds) and other rated & secured debt instruments as per Note appended to Regulation 3 to 8. Equity shares and preference shares and debt instruments issued by all India Financial Institutions recognized as such by Reserve Bank of India – investments shall be made in terms of investment policy guidelines, benchmarks and exposure norms, limits approved by the Board of Directors of the insurer.
  - (ii) Bonds or debentures issued by companies rated not less than AA or its equivalent and P1 or equivalent ratings for short term bonds, debentures, certificate of deposits and commercial papers by a credit rating agency, registered under SEBI (Credit Rating Agencies) Regulations 1999 would be considered as 'Approved Investments'.
  - (iii) Subject to norms and limits approved by the Board of Directors of the insurers deposits (including fixed deposits as per section 27A (9) of Insurance Act, 1938) with banks (e.g. in current account, call deposits, notice deposits, certificate of deposits etc.) included for the time being in the Second Schedule to Reserve Bank of India Act, 1934 (2 of 1934) and deposits with primary dealers duly recognized by Reserve Bank of India as such.
  - (iv) Collateralized Borrowing and Lending Obligations (CBLO) created by the Clearing Corporation of India Ltd and recognized by the Reserve Bank of India and exposure to Gilt, G Sec and liquid mutual fund forming part of Approved Investments as per Mutual Fund Guidelines issued under these regulations and money market instrument / investment.
  - (v) Asset Backed Securities with underlying Housing loans or having infrastructure assets as underlying as defined under 'infrastructure facility' in clause (h) of regulation 2 of Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Amendment Regulations, 2008 as amended from time to time.
  - (vi) Commercial papers issued by a company or All India Financial Institution recognized as such by Reserve Bank of India having a credit rating by a credit rating agency registered under SEBI (Credit Rating Agencies) Regulations 1999.
  - (vii) Money Market instruments as defined in Regulation 2(h) of these Regulation.



*Explanation –*

1. All conditions mentioned in the 'note' appended to Regulation 3 to 8 shall be complied with.

**14. Amendment of Schedule II:**

Schedule II to the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 shall be substituted with the following:-

**Schedule II**

(See Regulation 7 & 8)

**List of Approved Investments for General Business**

'Approved Investments' for the purpose of section 27B of the Act shall consist of the following:

- a) All investments specified in section 27B of the Act except
  - (i) clause (b) of sub-section (1) of section 27A of the Act;
  - (ii) Immovable property situated in another country as stated in clause (n) of sub-section (1) of section 27A of the Act;
  - (iii) First mortgages on immovable property situated in another country as stated in clause (i) of sub-section (1) of section 27B of the Act.
- b) In addition the following investments shall be deemed as approved investments by the Authority under the powers vested in it vide clause (j) of sub-section (1) of section 27B of the Act:
  - (i) All loans secured as per the Act, rated debentures (including bonds) and other rated & secured debt instruments as per Note appended to Regulations 3 to 8. Equity shares, preference shares and debt instruments issued by All India Financial Institutions recognized as such by Reserve Bank of India – investments shall be made in terms of investment policy guidelines, benchmarks and exposure norms, limits approved by the Board of Directors of the insurer.
  - (ii) Bonds or debentures issued by companies rated not less than AA or its equivalent and PI or Equivalent ratings for short term bonds, debentures, certificate of deposits and commercial papers by a credit rating agency, registered under SEBI (Credit Rating Agencies) Regulations 1999 would be considered as 'Approved Investments'.
  - (iii) Subject to norms and limits approved by the Board of Directors of the insurers deposits (including fixed deposits as per section 27B (10) of Insurance Act, 1938) with banks (e.g. in current account, call deposits, notice deposits, certificate of deposits etc.) included for the time being in the Second Schedule to Reserve Bank of India Act, 1934 (2 of 1934) and deposits with primary dealers duly recognized by Reserve Bank of India as such.
  - (iv) Collateralized Borrowing & Lending Obligations (CBLO) created by the Clearing Corporation of India Ltd and recognized by the Reserve Bank of India and exposure to Gilt, G Sec and liquid mutual fund forming part of Approved Investments as per Mutual Fund Guidelines issued under these regulations and money market instrument / investment.
  - (v) Asset Backed Securities with underlying Housing loans or having infrastructure assets as underlying as defined under 'infrastructure facility' in clause (h) of regulation 2 of Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Amendment Regulations, 2008 as amended from time to time.
  - (vi) Commercial papers issued by a company or All India Financial Institution recognized as such by Reserve Bank of India having a credit rating by a credit rating agency registered under SEBI (Credit Rating Agencies) Regulations 1999.
  - (vii) Money Market instruments as defined in Regulation 2(h) of this Regulation.

*Explanation:*

1. All conditions mentioned in the 'note' appended to Regulation 3 to 8 shall be complied with.

J. HARI NARAYAN, Chairman  
[ADVT. III/4/161/12/Exty.]

## FORM - 1

(Read with Regulation 10)

Name of the insurer:

Registration Number:

Statement as on:

Statement of investment and income on investment

Periodicity of Submission: Quarterly

Name of the Fund

No.	Category of investment	Category Code	Current Quarter				Year to Date (current year)				Year to Date (previous year) <sup>3</sup>				Rs. Crore
			Investment (Rs.) <sup>1</sup>	Income on Investment (Rs.)	Gross Yield (%) <sup>1</sup>	Net Yield (%) <sup>2</sup>	Investment (Rs.) <sup>1</sup>	Income on Investment (Rs.)	Gross Yield (%) <sup>1</sup>	Net Yield (%) <sup>2</sup>	Investment (Rs.) <sup>1</sup>	Income on Investment (Rs.)	Gross Yield (%) <sup>1</sup>	Net Yield (%) <sup>2</sup>	
<b>TOTAL</b>															

**CERTIFICATION**

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

Date:

Signature

Full Name

Chief of Finance

Note: Category of Investment (COI) shall be as per Guidelines, as amended from time to time

1 Based on daily simple Average of Investments

2 Yield netted for Tax

3 In the previous year column, the figures of the corresponding Year to date of the previous financial year shall be shown

4 FORM-1 shall be prepared in respect of each fund. In case of ULIP FORM 1 shall be prepared at Segregated Fund (SFIN) level and also at consolidated level.

FORM - 2

(Read with Regulation 10)

Name of the Insurer:

Registration Number:

Statement as on:

Statement of Down Graded Investments

Periodicity of Submission: Quarterly

PART - A

Name of Fund

FORM AMENDED

No	Name of the Security	COI	Amount	Date of Purchase	Rating Agency	Original Grade	Current Grade	Date of Downgrade	Remarks
A.	<u>During the Quarter<sup>1</sup></u>								
B.	<u>As on Date<sup>2</sup></u>								

Rs Crore

**CERTIFICATION**

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

Date:

Signature

Full Name and Designation

Chief Finance Officer

Note:

- 1 Provide details of Down Graded Investments during the Quarter.
- 2 Investments currently upgraded, listed as Down Graded during earlier Quarter shall be deleted from the Cumulative listing.
- 3 FORM-2 shall be prepared in respect of each fund. In case of ULIP FORM 1 shall be prepared at Segregated Fund (SFIN) level and also at consolidated level.
- 4 Category of Investment (COI) shall be as per INV/GLN/001/2003-04

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FORM - 2

(Read with Regulation 10)

Name of the Insurer:

Registration No:

INVESTMENT ASSETS - RATING PROFILE

PART - B

Name of the Fund:

Rs.Crore

No	Type of Investments	Investments in Sovereign Instruments		AAA or Equivalent		AA+ or Equivalent		AA or lower upto A+ or Equivalent		A or lower than A or Equivalent		Unrated		NPA		Equity or Equity Related Instruments and Other Instruments		Total BV	
		BV	% to Inv. Assets	BV	% to Inv. Assets	BV	% to Inv. Assets	BV	% to Inv. Assets	BV	% to Inv. Assets	BV	% to Inv. Assets	BV	% to Inv. Assets	BV	% to Inv. Assets		
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	
i	Central Govt Securities																		
ii	State Govt Sec. or Other Approved Securities																		
iii	(1) Housing Sector																		
	(a) Debt or debt related instruments																		
	(b) Loans																		
	(c) Others (Specify)																		
	(2) Infrastructure Sector																		
	(a) Debt or debt related instruments																		
	(b) Equity or equity related instruments																		
	(c) Loans																		
	(d) Others (Specify)																		
	(3) Approved Investments																		
	(a) Debt or debt related instruments																		
	(b) Equity or equity related instruments																		
	(c) Loans																		
	(d) Investment Property - Immovable																		
	(e) Mutual Fund																		
	(f) Money Market																		
	(g) Net current assets																		
	(h) Others (Specify)																		
iv	Other Investments																		
	(a) Debt or debt related instruments																		
	(b) Equity or equity related instruments																		
	(c) Loans																		
	(d) Investment Property - Immovable																		
	(e) Mutual Fund																		
	(f) Others (Specify)																		

Investment Asset

Rs. Cr

Investment in 'Debt' instruments	Book Value (Life, Pension Fund and General Insurers)	Market Value (for ULIP Funds)	%
Investments in Sovereign Instruments			
APPROVED INVESTMENTS			
AAA or upto AA or Equivalent			
MIM, Loans, Others - Approved Invst			
OTHER INVESTMENTS			
AA-A, lower than A or Equivalent			
Unrated, Loans, Others - Other Invst			
<b>Total Debt Investments (a to g)</b>			

**Certification**

Certified that the information given herein are correct and complete to the best of my knowledge. Also certified that the various investments made and covered in the return are within the categories provided in Investment Guidelines as amended from time to time.

**NOTE:**

- 1 The figures in Col (f) must match (for each type of investment) with Form 3A (Part A)/Form 3B
- 2 Non-Performing investment assets shall be separately shown irrespective of the rating
- 3 For Linked business values of investments shall be at Market Value
- 4 Equity or Equity related instruments shall be as permitted under the Insurance Act, 1938 or IRDA (Investment) Regulations, 2000 as amended from time to time
- 5 FORM - 2 (Part B) shall be prepared in respect of each fund. In case of ULIP Form 2 shall be prepared at Segregated Fund (SFNF) level and also at consolidated level.

Signature: \_\_\_\_\_  
 Full name: \_\_\_\_\_  
 Chief of Finance

**FORM - 2****(Read with Regulation 10)**

Name of the Insurer:

Registration No:

**INVESTMENT ASSETS & INFRA INVESTMENTS - RATING PROFILE****PART - C**

Name of the Fund \_\_\_\_\_

<b>INVESTMENT ASSETS</b>		<b>Rs Crore</b>	<b>% to Inv. Assets</b>
Central Govt. Sec + Other Approved Securities			
<b>TOTAL (1)</b>			
<b>Approved Investments</b>			
	AAA or upto AA or Equivalent		
	Equity - Approved Invt		
	MM, Loans, Others - Approved Invt		
<b>TOTAL (2)</b>			
<b>Other Investments</b>			
	AA-, A, lower than A or Equivalent		
	Equity - Other Invt		
	Unrated, NPA, Loans, Others - Other Invt		
<b>TOTAL (3)</b>			
<b>TOTAL FUND (1+2+3)</b>			
<b>INFRASTRUCTURE INVESTMENTS</b>			
<b>Approved Investments</b>			
	AAA or upto AA or Equivalent		
	Equities-Approved		
	MM, Loans, Others-Approved Invt		
<b>TOTAL (1)</b>			
<b>Other Investments</b>			
	AA-,A, lower than A or Equivalent		
	Equities-Other Investments		
	Loans, NPAs, Others - Other Invt		
<b>TOTAL (2)</b>			
<b>Total Infra Investment (1+2)</b>			
<b>TOTAL FUND</b>		<b>0</b>	

**Certification**

Certified that the information given herein are correct and complete to the best of my knowledge. Also certified that the various investments made and covered in the return are **within** the categories provided in Investment Guidelines as amended from time to time.

Signature: \_\_\_\_\_

Full name: \_\_\_\_\_

Chief of Finance \_\_\_\_\_

**Note:**

1. The figures in Col (i) must match (for each type of investment) with Form 3A (Part A)/Form 3B
2. FORM - 2 (Part C) shall be prepared in respect of life fund

**FORM - 3A**

(Read with Regulation 10)

Name of the insurer:

Registration Number:

Statement as on:

Statement of Investment Assets (Life Insurers)

(Business within India)

Periodicity of Submission: Quarterly

**PART - A**

Rs. Crore

**Section I**

Total Application as per Balance Sheet (A)	0	Reconciliation of Investment Assets	0
Add (B)		Total Investment Assets (as per Balance Sheet)	
Provisions		Balance Sheet Value of:	
Current Liabilities		A. Life Fund	
		B. Pension & General Annuity and Group Business	
Less (C)	0	C. Unit-Linked Funds	0
Debit balance in P&L A/c			
Deferred tax asset			
Loans			
Adv & Other Assets			
Cash & Bank Balance			
Fixed Assets			
Misc Exp. Not Written Off			
Funds available for Investments	0		

**Section II**

**NON - LINKED BUSINESS**

A. LIFE FUND	% as per Reg	SH				PH		Book Value (SH+PH)	Actual % Amount	Total Fund	Market Value
		FRSM <sup>+</sup>		UL-Non Unit Res	PAR	NON PAR					
		balance	(a)				(b)				
							(f) = [(g) - (sub-totals)]	(h)	(j) = (i) + (h)	(i)	
1 Central Govt. Sec	Not less than 25%										

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2	Central Govt. Sec, State Govt. Sec or Other Approved Securities (incl (i)) Not Less than above)	50%
3	Investment subject to Exposure Norms	
a.	Housing & Infrastructure	Not Less than 15%
	1. Approved Investments	
	2. Other Investments	
b.	(i) Approved Investments	Not exceeding 35%
	(ii) Other Investments	
<b>TOTAL LIFE FUND</b>		<b>100%</b>

	% as per Reg	PH		Book Value (c) = (a+b)	Actual % (d)	FVC Amount (e)	Total Fund (f) = (c+e)	Market Value (h)
		PAR (a)	NON PAR (b)					
<b>B. PENSION &amp; GENERAL ANNUITY AND GROUP BUSINESS</b>								
1	Central Govt. Sec							
2	Central Govt. Sec, State Govt. Sec or Other Approved Securities (incl (i) above)							
3	Balance in Approved Investment							
<b>TOTAL PENSION, GENERAL ANNUITY FUND</b>		<b>100%</b>						

	% as per Reg	PH		Total Fund (c) = (a+b)	Actual % (d)
		PAR (a)	NON PAR (b)		
<b>LINKED BUSINESS</b>					
<b>C. LINKED FUNDS</b>					
1	Approved Investments				
2	Other Investments				
<b>TOTAL LINKED INSURANCE FUND</b>		<b>100%</b>			

**CERTIFICATION:**  
*Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.*

Signature: \_\_\_\_\_  
 Full name: \_\_\_\_\_  
 Chief of Finance

Date:

- Note:**
- (+) FRSM refers to 'Funds representing Solvency Margin'
  - Funds beyond Solvency Margin shall have a separate Custody Account.
  - Other Investments are as permitted under Section 27A(2) of Insurance Act, 1938
  - Pattern of Investment is applicable to both Shareholders Funds representing solvency margin and policyholders funds.
  - Exposure Norms shall apply to Funds held beyond Solvency Margin, held in a separate Custody Account





Receivable for Sale of Investments									
Other Current Assets (for Investments)									
<b>Less: Current Liabilities</b>									
Payable for Investments									
Fund Mgmt Charges Payable									
Other Current Liabilities (for Investments)									
<b>Sub Total (B)</b>									
<b>Other Investments (&lt;=25%)</b>									
Corporate Bonds									
Infrastructure Bonds									
Equity									
Mutual funds									
Venture funds									
Others									
<b>Sub Total (C)</b>									
<b>Total (A + B + C)</b>									
<b>Fund Carried Forward (as per LB 2)</b>									

Signature:  
Full name:  
Chief of Finance

Date :

**Note:**

1. The aggregate of all the above Segregated Unit-Funds should reconcile with item C of FORM 3A (Part A), for both Par & Non Par Business
2. Details of Item 12 of FORM LB 2 which forms part of IRDA (Actuarial Report) Regulation, 2000 shall be reconciled with FORM 3A (Part B).
3. Other Investments' are as permitted under Sec 27A(2)

PART - C

## FORM - 3A

(Read with Regulation 10)

Name of the Insurer:

Registration Number:

Link to FORM 3A (Part B)

Statement for the period:

Periodicity of Submission: Quarterly

Statement of NAV of Segregated Funds

No	Fund Name	SFIN	Date of Launch	Par/Non Par	Assets Under Management on the above date	NAV as per LB 2	NAV as on the above date*	Previous Qtr NAV	2nd Previous Qtr NAV	3rd Previous Qtr NAV	4th Previous Qtr NAV	Return/Yield	3 Year Rolling CAGR	Rs.Crore
														Highest NAV since inception
1	Segregated Fund 1													
2	Segregated Fund 2													
3	Segregated Fund n													
	Total													

CERTIFICATION

Certified that the performance of all segregated funds have been placed and reviewed by the Board. All information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

DATE :

Signature:

Full name:

Chief of Finance

Note:

1. \* NAV should reflect the published NAV on the reporting date

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FORM - 3A

PART - D

(Read with Regulation 10)

Name of the Insurer:

Link to FORM 3A (Part A)

Registration Number:

Statement as on:

Statement of Accretion of Funds

Rs.Crore

(Business within India)

Periodicity of Submission : Quarterly

No	Category of Investments	POI	Opening Balance	% to Total (A)	Net Accretion for the Qtr.	% to Total Accretion	TOTAL	% to Total (1+2)
			(1)		(2)		(1+2)	
<b>A</b>	<b>LIFE FUND</b>							
1	Central Govt. Sec	Not less than 25%						
2	Central Govt Sec, State Govt Sec or Other Approved Securities (incl (i) above)	Not less than 50%						
3	Investment subject to Exposure Norms							
	a. Housing & Infrastructure							
	1. Approved Investments	Not less than 15%						
	2. Other Investments							
	b. (i) Approved Investments	Not exceeding 35%						
	(ii) Other Investments (Not to exceed 15%)							
Total (A)								

No	Category of Investments	POI	Opening Balance	% to Total (B)	Net Accretion for the Qtr.	% to Total Accretion	TOTAL	% to Total (1+2)
			(1)		(2)		(1+2)	
<b>B</b>	<b>PENSION &amp; GENERAL ANNUITY AND GROUP BUSINESS</b>							
1	Central Govt. Sec	Not less than 20%						
2	Central Govt Sec, State Govt Sec or Other Approved Securities (incl (i) above)	Not less than 40%						
3	Balance in Approved Investment	Not exceeding 60%						
Total (B)								

No	Category of Investments	POI	Opening Balance	% to Total (C)	Net Accretion for the Qtr.	% to Total Accretion	TOTAL	% to Total (1+2)
			(1)		(2)		(1+2)	
<b>C</b>	<b>LINKED FUNDS</b>							
1	Approved Investment	Not less than 75%						
2	Other Investments	Not more than 25%						
Total (C)								

**CERTIFICATION**

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

Date:

Signature:

Full name: \_\_\_\_\_

Chief of Finance

**FORM - 3A**

(Read with Regulation 10)

**PART - E****Name of the Insurer:****Registration Number:****Statement as on:**

Statement of Investment Details of ULIP Products to Segregated Funds

(Business within India)

Rs.Crore

Periodicity of Submission : Quarterly

INVESTMENT DETAILS OF "ULIP" PRODUCTS [UIN] TO SEGREGATED FUNDS [SFIN]			
Inflow	UIN1	UIN2	UIN n
Premium			
Others (Specify)			
<b>TOTAL (A)</b>			
Outflow			
Commission			
Charges			
Claims			
Others			
<b>TOTAL (B)</b>			
<b>Total C = (A-B)</b>			
Policy Funds at "C" above allotted to			
SFIN 1			
SFIN 2			
SFIN n			
<b>TOTAL (D)</b>			
<b>Difference (if any) E = (C-D)</b>			

**CERTIFICATION**

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

**Date:****Signature:****Full name:****Chief of Finance****Note:**

1. UIN represents the Unique product number as per 'file and use' approved under ULIP products
2. SFIN represents the Segregated Fund Identification Number as approved by the Product Approval Committee

FORM - 3B

(Read with Regulation 10)

Name of the Insurer:

Registration Number:

Statement as on:

Statement of Investment Assets (General Insurer, Re-Insurers)

(Business within India)

Periodicity of Submission: Quarterly

PART - A

Rs. Crore

## Section I

No	PARTICULARS	SCH	AMOUNT
1	Investments	8	
2	Loans	9	
3	Fixed Assets	10	
4	Current Assets		
	a. Cash & Bank Balance	11	
	b. Advances & Other Assets	12	
5	Current Liabilities	13	
	a. Current Liabilities		
	b. Provisions	14	
	c. Misc. Exp not Written Off	15	
	d. Debit Balance of P&L A/c		
Application of Funds as per Balance Sheet (A)			0

No	Less: Other Assets	SCH	Amount
1	Loans (if any)	9	
2	Fixed Assets (if any)	10	
3	Cash & Bank Balance (if any)	11	
4	Advances & Other Assets (if any)	12	
5	Current Liabilities	13	
6	Provisions	14	
7	Misc. Exp not Written Off	15	
8	Debit Balance of P&L A/c		
Total			TOTAL (B) 0
'Investment Assets' As per FORM 3B			(A-B) 0

## Section II

No	'Investment' represented as	Reg. %	SH		PH	Book Value (SH + PH)	% Actual	FVC Amount	Total	Market Value (h)
			Balance	FRSM*						
			(a)	(b)	(c)	d = (a+b+c)	(e)	(f)	(g)=(d+f)	
1	Central Govt. Securities	Not less than 20%								
2	Central Govt Sec, State Govt Sec or Other Approved Securities (incl. (1) above)	Not less than 30%								
3	Investment subject to Exposure Norms									
	a. Housing & Loans to SG for Housing and FFE	Not less than 5%								
	1. Approved Investments									
	2. Other Investments									
	b. Infrastructure investments	Not less than 10%								
	1. Approved Investments									
	2. Other Investments									
	c. Approved Investments	Not exceeding 55%								
	d. Other Investments									
Investment Assets			100%							

## Certification:

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

Date:

Signature: \_\_\_\_\_

Full name: \_\_\_\_\_

Chief of Finance

Note: 1. (+) FRSM refers 'Funds representing Solvency Margin'

2. Other Investments' are as permitted under 27B(3)

3. Pattern of investment is applicable to both Shareholders funds representing solvency margin and policyholders funds.

4. Exposure Norms shall apply to Funds held beyond Solvency Margin, held in a separate Custody Account

FORM - 3B

(Read with Regulation 10)

Name of the Insurer:

Registration Number:

Statement as on:

Statement of Accretion of Assets

(Business within India)

Periodicity of Submission : Quarterly

PART - B

Rs. Crore

No	Category of Investments	COI	Opening Balance		Net Accretion for the Qtr. (B)	% to Total Accrual	TOTAL		
			(A)	% to Opening Balance			(A+B)	% to Total	
1	Central Govt. Securities								
2	Central Govt Sec. State Govt Sec or Other Approved Securities (incl (i) above)								
3	Investment subject to Exposure Norms								
	a. Housing & Loans to SG for Housing and FFE								
	1. Approved Investments								
	2. Other Investments								
	b. Infrastructure Investments								
	1. Approved Investments								
	2. Other Investments								
	c. Approved Investments								
	d. Other Investments (not exceeding 25%)								
Total									

**Certification:**

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

Date:

Signature:

Full name:

Chief of Finance

**Note:**

1. Total (A+B), fund wise should tally with figures shown in Form 3B (Part A)

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## PART A

**FORM 4**  
(read with regulation 10)  
**EXPOSURE / PRUDENTIAL AND OTHER INVESTMENT NORMS -- COMPLIANCE CERTIFICATE**

Insurer Name and Code:

Date: as at: .....

Section	Norms	Exposure / Other Norms as per Regulation	Are the required Norms complied? (Yes / No)	Remarks
I	Investee Company Exposure	<p>a. Investment in equity, preference shares, convertible debenture:-</p> <p>Exposure at any point of time did not exceed 10% of outstanding equity shares (face value) or 10% of the amount under point Regulation 9 (A.1.(a) or A.1.(b) or A.1.(c) considered separately) of this Regulation, in the case of Life insurers / an amount under Regulation 9 (A.2) or (A.3) of this Regulation, in the case of General Insurer / Re-insurer whichever is lower.</p> <p>[In case of infrastructure Co, the limit of 10% shall be read as 20%. Where the investment assets of the insurer is Rs. 250000 Crores or more, the limit of 10% shall be read as 15% of outstanding equity shares (face value) or where the investment assets of the insurer is Rs.50000 Crores but less than Rs 250,000 Crores the limit of 10% shall be read as 12% of outstanding equity shares (face value)]</p> <p>b. Investment in Debt/ loans and any other permitted investments as per Act / Regulation, other than 'Equity', Preference Shares, Convertible Debentures :-</p> <p>Exposure at any point of time did not exceed 10% of the paid-up share capital, free reserves (except revaluation reserve) and debenture / bonds of the investee company or 10% of amount under point Regulation 9 (A.1.(a) or A.1.(b) or A.1.(c) above considered separately) of this Regulation, in the case of Life insurers / an amount under Regulation 9 (A.2) or (A.3) of this Regulation, in the case of General Insurer / Re-insurer whichever is lower.</p>		



Section	Norms	Exposure / Other Norms as per Regulation	Are the required Norms complied? (Yes / No)	Remarks
		<p><i>[In case of Infrastructure Co, the limit of 10% shall be read as 20%. Where the investment assets of the insurer is Rs. 250000 Crores or more, the limit of 10% shall be read as 15% of paid up share capital, free reserves (excluding revaluation reserve) and debenture / bonds or where the investment assets of the insurer is Rs.50000 Crores but less than Rs 250,000 Crores the limit of 10% shall be read as 12% paid up share capital, free reserves (excluding revaluation reserve) and debenture / bonds]</i></p> <p><i>Has the maximum exposure under limit for a single 'investee' company from all investment assets (Equity / Preference Shares / Convertible Debenture / Debentures/ bonds / CPs / loans and any other permitted debt Investments as per Act / Regulation), are within the limit prescribed in Regulation 9 (B) (In case of Infrastructure Co, the limit of 10% shall be read as 20%)?</i></p> <p><i>Has debt investments made in infrastructure SPV have complied with the limits, terms and conditions as mentioned in the Note: 4 of the Investment Regulation 9?</i></p>		
II	Limit for the entire Group of the Investee Company	<p><i>Has total investments made in entire "Group of the Investee Company" is the lower of:</i></p> <p><i>a. amount under point Regulation 9 (A.1.(a) or A.1.(b) or A.1.(c) above considered separately) of this Regulation, in the case of Life insurers / an amount under Regulation 9 (A.2) or (A.3) of this Regulation, in the case of General Insurer / Re-insurer (or)</i></p> <p><i>b. 15% of investment Assets in all companies belonging to the group</i></p> <p><i>(In case of Infrastructure company the limit mentioned in point 'a' above shall be read as 20%)</i></p>		
III	Promoter Company	<p><i>Has total investments made in all "Companies falling under Insurer's Promoter Group":</i></p>		

Section	Norms	Exposure / Other Norms as per Regulation	Are the required Norms complied? (Yes / No)	Remarks
		<p>a. is not more than 5% in aggregate of its total investments in all companies belonging to the promoters' groups.</p> <p>b. not made investments in any companies belonging to the promoters' group by way of private placement (equity)</p> <p>c. not made any investment in unlisted instruments (equity &amp; debt certificate of deposits and fixed deposits (without prejudice to Section 27A (9) and Section 27B (10) of the Act) held in a Scheduled Commercial Bank), except for companies formed by Insurers under Sec 27A (4) or Sec 27B (5) of the Act.</p>		
IV	Industry sector	<p>Has investment made by the insurer in any industrial sector [except Financial and Insurance Activities sector as per National Industrial Classification (All Economic Activities) - 2008]:</p> <ol style="list-style-type: none"> <li>not exceeded the lower of: 15% of the amount under Regulation 9 (A.1.(a) or A.1.(b) or A.1.(c) considered separately) of this regulation in the case of life insurer / an amount under Regulation 9 (A.2) or (A.3) of this regulation, in the case of General Insurer / Re-insurer (or) 15% of investment Asset</li> <li>Has the investment made by the insurer in <b>Financial and Insurance Activities</b> sector as per National Industrial Classification (All Economic Activities) - 2008 (excluding Fixed Deposit, Term Deposit and Certificates of Deposit) not exceeded 25% of its total investment assets?</li> <li>Is the classification of industrial sectors been done on the lines of National Industrial Classification (All Economic Activities) - 2008 [NIC] for all sectors, except "infrastructure sector".</li> <li>Has exposure been calculated at Division level from A to R of (NIC (All Economic Activities) - 2008) Classification for all sectors other than</li> </ol>		

Section	Norms	Exposure / Other Norms as per Regulation	Are the required Norms complied? (Yes / No)	Remarks
		<p>infrastructure sector?</p> <p>5. Has exposure been calculated for <b>Financial and Insurance Activities</b> sector at Section level (of NIC (All Economic Activities) – 2008)?</p>		
V	<p><b>Rating Criteria</b></p>	<p>1. Are investments under 'Approved Investments' made only in rated instruments, if such instruments are capable of being rated?</p> <p>2. At the time of purchase, are Corporate Bonds rated below AA (A+ with the prior approval of the Board of the Insurer) or its equivalent and P1 or equivalent (in case of short term instruments) classified under "Other Investments"?</p> <p>3. Are instruments <b>downgraded</b> below the minimum rating prescribed under Note 3 &amp; 4 to Regulation 3 to 8 of the IRDA (Investment) Regulation, 2000, as amended from time to time, reclassified under "Other Investments" through the <u>System</u>?</p> <p>4. Are 'Debt' instruments (including Central Govt, State Govt Securities and Other Approved Securities) - fund wise, in the case of life insurer (including ULIP funds at segregated fund level) and Investment Assets in the case of general insurer - have a minimum rating of Sovereign, AAA or equivalent rating for long term and Sovereign, P1+ or equivalent for short term instruments, not less than 75% (Life Insurer) / 65% (General Insurer)?</p> <p>5. Are 'Debt' instruments (including Central Government Securities, State Government Securities and Other approved securities) – fund wise, in the case of life insurer (including ULIP funds at segregated fund level) and Investment Assets in the case of general insurer – have a rating of A or below or equivalent rating for long term, are not more than 5% (8% in the case of Non-Life Insurers)?</p>		
VI	Others	A. CONFIRMATION ON POLICY / SYSTEMS / PROCEDURE		

Section	Norms	Exposure / Other Norms as per Regulation	Are the required Norms complied? (Yes / No)	Remarks
		<p>1. Has the software application for Investment Operations, been <u>fully automated without manual intervention</u> in calculating the exposure norms of Investee Company, Group, Promoter Group and Industry Sector, as per the various slabs of 'investment assets' provided under Regulation 9 (B)?</p> <p>2. Is the Constitution of the Investment Committee of the Insurer in full compliance with the requirements mentioned under Regulation 13 of Investment Regulation?</p> <p>3. Was none of the functions of the insurer relating to Investment Operations falling under Front / Mid / Back Office, (covering both Shareholders and Policyholders Investments), outsourced (except to the extent permitted under Point 11 and 12 of Annexure II to Circular INV/CIR/008/2008-09 Dt. 22<sup>nd</sup> Aug, 2008 with respect to Outsourcing of Investment Advice and NAV Calculation)?</p> <p>4. Is the Audit Committee of the Board, headed by a Chartered Accountant, provided he is a member of the Board of the Insurer?</p> <p>5. Have periodical Investment Returns to be filed for the Quarter, prepared in full compliance with the "Guidance Note on preparation of Investment Returns" issued by IRDA?</p> <p>6. Have amendments to the Investment Policy, been approved by the Board of the Insurer?</p> <p>7. Has the model code of conduct, to prevent insider / personal trading of officers involved in Investment Operations, including front, mid, and back office as approved by the Board, implemented? If so:</p> <p>a. Does it cover Officers involved in Investment Operations at various levels?</p> <p>b. Does the code of conduct cover each Officer in such level?</p> <p>c. Has the Board been informed of compliance or otherwise to</p>		

Section	Norms	Exposure / Other Norms as per Regulation	Are the required Norms complied? (Yes / No)	Remarks
		<p><i>model code of conduct during the Quarter?</i></p> <p>d. Has the Concurrent Auditor issued his Audit Report of previous Quarter, without any qualification on aspects of model code of conduct implemented by the Insurer?</p> <p>e. Where breach of model code of conduct, if any, reported during the previous Quarter, been dealt properly and appropriate action as recommended by Audit Committee/ Board been taken?</p> <p>8. Does the segregation of front, mid and back office – are as per Technical Guide on Internal / Concurrent Audit of Investment Functions of Insurance Companies issued by the Institute of Chartered Accountants of India?</p> <p>9. Have all non-compliance reported in the Chartered Accountant's certificate issued (as per the Technical Guide on Investment Risk Management Systems &amp; Process of Insurance Companies, by ICAI) on the 'status' of implementation of Investment Risk Management Systems and Process been implemented as per timelines committed to IRDA?</p> <p>10. Has the Internal / Concurrent audit Report of the previous Quarter with the with comments of Audit Committee of the Board, on 'very serious', 'serious' points (as per the Technical Guide on Internal / Concurrent Audit of Investment Functions of Insurance Companies, issued by the Institute of Chartered Accountants of India) in the report, and status of implementation of Audit committee recommendation been placed before the Board of the Insurer during the current quarter?</p> <p>11. Have the Audit Report of the previous Quarter along with Audit Committees recommendation and its implementation status filed with the Authority along with these returns?</p> <p>12. Have the increase during the quarter, in Shareholders' funds (other than income from shareholders' investments, maintained in a</p>		

Section	Norms	Exposure / Other Norms as per Regulation	Are the required Norms complied? (Yes / No)	Remarks
		<p><u>separate custody account</u>) held beyond solvency margin requirement, is supported by surplus calculation certified by the <b>Appointed Actuary</b>? [annex a copy of Appointed Actuary's Certificate to this return]</p> <p>13. Has the Board reviewed (both life and non-life Insurers) during the previous quarter the performance of products [at line of business level in the case of <u>General Insurers</u>]?</p> <p>14. Has the Board, during the previous Quarter, reviewed (both life and non-life insurers) the performance of investments? [the review in the case of life insurers should cover both <b>Non-Linked and Linked funds</b> [SFIN] level]</p> <p>15. Has the life insurer, in the case of ULIP business reconciled, <u>through the system</u>, the premium received (net of charges and benefits paid) under each product (Unique Identification Number – UIN wise) with value of all the segregated fund(s) (Segregated Fund Identification Number – SFIN wise) net of fund management charges, held under a single UIN, on a day to day basis, during the quarter?</p> <p>16. Has the life insurer disclosed UIN wise reconciliation, on the Insurer's website on the same day?</p> <p>17. Is there a fully automated system to generate, on a day to day basis, Form 3A - Part E (Investment Details of ULIP Products to Segregated Funds)?</p> <p>18. Has the life insurer disclosed the value of policy wise units held by policyholder on the Insurer's policyholder portal?</p> <p>19. Has the life insurer disclosed fund wise NAV (SFIN wise) on the Insurer's website and life council website on the same day?</p> <p>20. Has the Standard Operating Procedure (SOP) approved by the Investment Committee of the Insurer?</p>		

Section	Norms	Exposure / Other Norms as per Regulation	Are the required Norms complied? (Yes / No)	Remarks
		<p>21. Does the SOP, for each 'category of investment' <u>is same across all fund(s)</u>?</p> <p>22. Does SOP of the Insurer, for "each" Category of Investment, (as per Guidelines INV/GLN/001/2003-04, as amended from time to time, issued by the Authority) provide individual activities to be carried out in Front, Mid and Back office?</p> <p>23. Have all investments made (100%) followed the IC approved SOP?</p> <p>24. Does the Investment made during the Quarter, are <b>within</b> the exhaustive 'Categories of Investments' prescribed under Guidelines INV/GLN/001/2003-04, as amended from time to time?</p> <p>25. Has the Insurer during the Quarter taken any Derivative position (including interest rate swap and Credit default swap)? If Yes:</p> <p>a. Has the Derivative Policy been approved by the Board of the Insurer?</p> <p>b. Has the insurer taken prior approval of IRDA for such Derivative policy?</p> <p>c. If so, is there a process to identify the risk to be hedged ['fund-wise' in the case of Life Insurers]?</p> <p>d. Does such derivative position comply with IRDA Guidelines?</p> <p>e. Has derivative exposure taken, are clearly identified with the portfolio risk to be hedged?</p> <p>f. Has the Insurer filed the regulatory information / returns required under the Guidelines issued?</p> <p>26. Are investment made in immovable property covered under Section 27A (1) (n) of the Act shall not exceed, at the time of investment, within 5% of the Investment Assets [as per FORM 3B (Part A)] in the case of General Insurer / within 5% of Life fund, Pension &amp; General Annuity Fund, [as per FORM 3A (Part A)] in the case of Life Insurer.</p>		

Section	Norms	Exposure / Other Norms as per Regulation	Are the required Norms complied? (Yes / No)	Remarks
		<p>27. Have <b>NO</b> investments in Immovable Properties been made out of ULIP Funds?</p> <p>28. Are investments in equity shares through IPO, Mutual fund, Venture fund, SEBI approved Alternate Investment Funds, Corporate Bond Reverse Repo, IDF (as per Note 2 to Regulation 9) Perpetual Debt Instruments of Bank's Tier-I Capital and Debt Capital instruments of Bank's Upper Tier-II Capital, made in compliance with the relevant circulars issued in this regards from time to time?</p> <p>29. Are investments in asset backed securities, PTC, SRs both under Approved and Other investment category, made within 10% of Investment assets in case of Life Companies and 5% of Investment assets in case of Non – life companies</p> <p>30. Are any securitized assets with underlying housing or infrastructure assets, if downgraded below AAA or equivalent reclassified as Other Investments</p> <p><b>B. CONFIRMATION ON INVESTMENT OPERATIONS / EXPOSURE</b></p> <p>1. Has Shareholders funds been split Funds Representing Solvency Margin (FRSM) in FORM 3A (Part A)?</p> <p>2. If funds are split as per point 1 above, between FRSM and Balance, have the same been maintained in separate custodian account with identified 'scrips' for both Life and General (including Re-insurance) companies and reconciled with FORM 3A (Part A) / FORM 3B?</p> <p>3. Do each 'Segregated fund' [SFIN] have underlying 'Scrips', identified upto to Custodian level?</p> <p>4. Do each 'Segregated Fund' [SFIN] have not less than 75% of Approved Investments as defined in the Act?</p>		



Section	Norms	Exposure / Other Norms as per Regulation-	Are the required Norms complied? (Yes / No)	Remarks
		<p>5. Does all investments in assets or instruments which are capable of being rated (except Fixed Deposits with Scheduled Commercial Banks) are made based on 'instrument' rating and NOT based on Investee 'Company' rating?</p> <p>6. Have Investments in debt instruments rated AA - (AA minus) or below classified under Other Investments?</p> <p>7. Are Investments made in a Public Limited Special Purpose Vehicle (SPV) engaged in infrastructure sector is within 20% of the project cost (or) amount under Regulation 9 (B) (i), whichever is lower?</p> <p>8. If answer to point above is 'yes', have all the requirements mentioned under Note 4 to Regulation 9 have been complied?</p> <p>9. Are investments made in Mortgaged Backed Securities [MBS] / Assets Backed Securities [ABS] complied with the requirements of Note 5 to Regulation 9?</p> <p>10. Has 'each' purchase and sale of Investments, as mentioned in the Deal Slip, been identified with respect to 'each' fund / 'segregated fund' in respect of ULIP funds?</p> <p>11. Are all thinly traded equity (as per SEBI norms) classified as "Other Investment"?</p> <p>12. Has inter fund transfer, been done as per circular IRDA/FA/02/10/2003-04 and any other circular issued from time to time, between ULIP funds during Market Hours, for Equity and Debt at the prevailing price and not based on broker quote?</p> <p>13. With respect to 'each' Segregated Fund [including Discontinued Policy Fund (DPF)] in the case of ULIP business, whether reconciliation of "Units" have been made, between Policy Admin System (PAS) and</p>		

Section	Norms	Exposure / Other Norms as per Regulation	Are the required Norms complied? (Yes / No)	Remarks
		<p><i>Investment Accounting Systems through a fully automated system using process integrators to ensure seamless data transfer without manual intervention?</i></p> <p>14. Does the Primary Data Server of the Computer Application used for Investment Management, maintained within the Country?</p> <p>15. Has the insurer, reconciled investments, fund-wise, with bank and custodian records on 'day-to-day basis for 'each' segregated fund?</p> <p>16. Has the insurer, reconciled investment accounts, for each fund in the case of Non-ULIP Business and General Insurance Business, with Custodian records?</p> <p>17. Has valuation of investments of 'each' fund (including ULIP), done as prescribed in IRDA (Preparation of Financial Statements and Auditors Report of Insurance Companies) Regulations, 2002?</p> <p>18. Is there any shortfall/deficit in meeting the Discontinued Policies Fund (DPF) liabilities?</p> <p>19. If the answer to above point is 'Yes', has the Insurer provided for such shortfall / deficit on a quarterly basis?</p> <p>20. Have all the negative deviations reported in FORM 4A (Part A)?</p> <p>21. Has NAV of each segregated fund [SFIN] been audited before its declaration by Internal / Concurrent Auditor on a day-to-day basis (on T+0 basis)?</p> <p>22. Has the Insurer floated any new fund during the quarter?</p> <p>23. If the answer to point above is 'yes', has the directions in respect of Fund Approval procedure and Guidelines on NAV Process as per Circular IRDA/F&amp;I/CIR/INV/173/08/2011 Dt. 29<sup>th</sup> Jul, 2011 complied with?</p>		

Section	Norms	Exposure / Other Norms as per Regulation	Are the required Norms complied? (Yes / No)	Remarks
		24. Has the insurer, apart from the credit rating evaluated by the rating agencies, carried out their own risk analysis commensurate with the complexity of the product(s) and the materiality of their holding for every investment made?		

**CERTIFICATION**

Certified that the information given herein is correct and complete to the best of my knowledge and belief and nothing has been concealed or suppressed.

Signature:.....  
Chief Executive Officer

Date:

Signature:.....  
Chief of Finance

Signature:.....  
Chief of Investments

PART B

FORM - 4

(Read with Regulation 10)

Name of the Insurer:

Registration Number:

Statement as on:

INTERNAL / CONCURRENT AUDITOR'S CERTIFICATE ON INVESTMENT RISK MANAGEMENT SYSTEMS - IMPLEMENTATION STATUS

No	Annexure Ref	Audit Objective	Audit Observation	Severity of Non Compliance	Action(s) taken for Compliance	MMM/YYYY Committed by the Insurer's Board to IRDA for complying with the requirement	Proof provided (or) demonstrated by the Insurer, to the Auditor to comply with the Requirement	Remarks & Comments of Audit Committee of the Board on non-compliance of 'time frame' communicated to IRDA on implementing Systems & Processes
1	2	3	4	5	6	7	8	9
A ISSUES OF PREVIOUS QUARTER(S)								
B ISSUES TO BE COMPLIED IN CURRENT QUARTER								

CERTIFICATE

We certify that all issues, to be reported to IRDA on implementation of Investment Risk Management Systems and Processes, for the Quarter and pending issues of previous Quarter(s) [as committed to IRDA], and as listed in the Chartered Accountant's Certificate issued, vide Circular INC/CIR/008/2008-09 Dt. 22<sup>nd</sup> Aug. 2008, have been covered in the above table.

Chartered Accountants  
(Internal / Concurrent Auditor)

Place:

Date:

Notes:

- No. (under Col. 1 in above table) shall be as per the Annexure(s) to the Certificate issued by the Chartered Accountant appointed to certify implementation of Investment Risk Management Systems and Process
- If all the issues have been complied with and no issues to be reported, a Nil statement should be filed

FORM - 4A

(Read with Regulation 10)

Name of the Insurer:

Registration Number:

Statement as on:

Total Investment Asset for the quarter as per FORM 3A:

PART A

EXPOSURE NORM COMPLIANCE - INVESTEE COMPANY

Rs. Crore

No	Investee Company	Whether (Equity/Debt)	Equity & Equity related		Debt + Others		Equity + Debt + Others		Deviation Amount			% of Deviation with respect to Regulation					
			Eligibility Limit as per Regulation 9*	Actual	Eligibility Limit as per Regulation 9*	Actual	Eligibility Limit as per Regulation 9*	Actual	Equity	(Debt + Others)	Equity + Debt + Others	Equity	(Debt + Others)	Equity + Debt + Others			

CERTIFICATION

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

Signature:

Full name:

Chief of Finance

Note:

1. Above table shall be Compiled separately for Life, Pension & General Annuity and Group Business and Individually for each Segregated Fund (SFIN) AND at Assets under Management Level
2. Only (-ve) deviations are to be reported
3. Exposure would be on the basis of Book Value for Non-unit linked funds & on Market Value for Unit linked Funds
4. Provisions of Section 27A (8) / Section 288 (9) of The Insurance Act, 1938 has been complied with.

FORM - 4A

(Read with Regulation 10)

PART B

Name of the Insurer:

Registration Number:

Total Investment Asset for the quarter as per FORM 3A:

Statement as on:

Rs. Crore

## EXPOSURE NORMS COMPLIANCE- PROMOTER GROUP

No	Name of Group Company	Eligibility limit of group as per Regulation 9	Actual Investments (Cumulative)	Deviation	% of Deviation with respect to regulation
a	b	d	e	f=d-e	g

CERTIFICATION

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

Date:

Signature:

Full name:

Chief of Finance

**Note:**

1. Above table shall be Complied in aggregate of its total investments
2. Exposure would be on the basis of Book Value for Non-unit linked funds & on Market Value for Unit linked Funds

FORM - 4A

(Read with Regulation 10)

Name of the Insurer:

Registration Number:

Statement as on:

PART C

Rs. Crore

Total Investment Asset as per FORM 3A:

## EXPOSURE NORMS COMPLIANCE- GROUP

No	Name of Group Company	Eligibility limit of group as per Regulation 9	Actual Investments (Cumulative)	Deviation	% of Deviation with respect to regulation
a	b	c	d	f=c-d	g

CERTIFICATION

*Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.*

Date:

Signature:

Full name:

Chief of Finance

Note:

1. Above table shall be Compiled separately for Life, Pension & General Annuity and Group Business and Individually for each Segregated Fund (SFIN) AND at Assets under Management Level its total investment assets

2. Exposure would be on the basis of Book Value for Non-unit linked funds & on Market Value for Unit linked Funds

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FORM - 4A

(Read with Regulation 10)

Name of the Insurer:

Registration Number:

Statement as on:

PART D

Rs.Crore

Total Investment Asset as per FORM 3A:

## EXPOSURE TO INDUSTRY SECTOR

No	Name of Industry Sector (as per Regulations)	Eligibility limit of industry as per Regulation 9	Actual Investments (Cumulative)	Deviation	% of Deviation with respect to regulation
a	b	c	d	e=d-c	f

CERTIFICATION

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

Signature:

Full name:

Chief of Finance

Date:

Note:

1. Above table shall be Compiled separately for Life, Pension & General Annuity and Group Business and Individually for each Segregated Fund (SFIN) AND at Assets under Management Level its total investment assets
2. Exposure would be on the basis of Book Value for Non-unit linked funds & on Market Value for Unit linked Funds



FORM - 5

(Read with Regulation 10)

Name of the Insurer:

Registration Number:

Statement as on:

Statement of Investment Reconciliation

(Business within India)

Periodicity of Submission : Quarterly

Name of the Fund:

Rs.Crore

No	Category of Investments	COI	Opening Balance		Purchase for the Period		Sale for the Period		Adjustments		Closing Balance		% to Total (1+2+3)
			Face Value	Book Value	Face Value	Book Value	Face Value	Book Value	Face Value	Book Value	Face Value	Book Value	
1	Central Govt. Securities												
2	Central Govt. Sec, State Govt Sec or Other Approved Sec									Total (1)			
3	Investments subject to Exposure Norms									Total (1+2)			
	(a) Housing & Loans to State Govt for Housing / FFE												
	1. Approved Investments												
	2. Other Investments									Total (3(a))			
	(b) Infrastructure Investments												
	1. Approved Investments												
	2. Other Investments									Total (3(b))			
	(c) Approved Investments												
	(d) Other Investments									Total (3(c))			
<b>TOTAL</b>													
Total (3 (a+b+c+d))													
Total (1+2+3)													

**CERTIFICATION**

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief. Also, certified that all Cash Market transactions executed on the Stock Exchange are made only on Delivery basis.

Date:

Signature  
Full Name & Designation  
Chief of Finance

**NOTE:**

- Individual Categories under each of the above Major heads should be listed with Category Code
- FORM-5 shall be prepared in respect of each fund. In case of ULIP Form 5 shall be prepared at Segregated Fund (SFIN) level and also at consolidated level.
- Each sub-total of FORM-5 shall be linked to its corresponding head in PART-A of FORM-3A / FORM-3B.
- 'Other Investments' are as permitted under Sec 27A(2) and 27B(3)
- Guidelines on preparation of FORM 5 should be strictly followed.
- The '% to Total' Column, in the case of Non-Linked funds shall be computed on Book Value and in the Case of Linked Funds it shall to Market Value

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**FORM - 5A**

(Read with Regulation 10)

Name of the Insurer:

Registration Number:

Statement as on:

Statement of Investment made in Mutual Funds

Periodicity of Submission : Quarterly

Name of the Fund: \_\_\_\_\_

Rs. Crore

PARTICULARS	COI	Op. Balance		Purchase for the Qtr		Sale for the Qtr		Cl. Balance		Market Value	% to Total Inv.
		Units	Amount	Units	Amount	Units	Cost of Sale	Units	Book Value		
Approved Investments											
MF - Gilt / G Sec / Liquid Schemes	EGMF										
			0				0				Total (A)
MF - (under Insurer's Promoter Group)	EMPG										
			0				0				Total (B)
											Total (A+B)
Other Investments											
MF - Debt / Income / Serial / Liquid Funds	OMGS										
			0				0				Total (C)
MF - (under Insurer's Promoter Group)	DMPG										
			0				0				Total (D)
											Total (C+D)
											Total (A+B+C+D)

**CERTIFICATION**

Certified that the information given herein are correct, complete and nothing has been concealed or suppressed, to the best of my knowledge and belief.

Signature: \_\_\_\_\_

Full name: \_\_\_\_\_

Chief of Finance

Date: \_\_\_\_\_

**NOTE**

1. FORM-5A shall be prepared in respect of Life, Pension & General Annuity and Group Business and ULIP Funds
2. Each sub-total of FORM-5A shall be linked to its corresponding head in FORM-5.
3. 'Other Investments' are as permitted under Sec 27A(2) and 27B(3) of The Insurance Act, 1938
4. Guidelines on preparation of FORM 5 should be strictly followed.
5. Investments made in liquid and Gilt mutual funds in excess of norms specified in Circular: INV/CIR/008/2008-09 Dt. 2nd Aug. 2008 under Point-5, shall be reported under 'Other investments'
6. FORM-5A shall be prepared in respect of each fund. In case of ULIP Form 5 shall be prepared at Segregated Fund (SFN) level and also at consolidated level.

## FORM - 6

(Read with Regulation 10)

Name of the Insurer: \_\_\_\_\_

Registration Number: \_\_\_\_\_

Statement as on: \_\_\_\_\_

Certificate under Section 28(2A) / 28(2B) / 28B(3) of The Insurance Act, 1938

Periodicity of Submission : Quarterly

Name of the Fund: \_\_\_\_\_

Rs.Crore

No	Investment Particulars	Under the Custody of								Total (Rs) SH + PH
		Bank / Custody (Rs)		Self (Rs)		Others (Rs)		Policy Holders	Share Holders	
		Share Holders	Policy Holders	Share Holders	Policy Holders	Share Holders	Policy Holders			
1	Central Govt. Security									
2	Central Govt Securities, State Govt Securities or Other Approved Securities									
3	Investment subject to Exposure Norms									
	a. Housing & Loans to State Govt. for Housing & FFE									
	1. Approved Investments									
	2. Other Investments									
	b. Infrastructure Investments									
	1. Approved Investments									
	2. Other Investments									
	c. Approved Investments									
	d. Other Investments									
	TOTAL									

## CERTIFICATE

We certify that the above mentioned securities are held free of any encumbrance, charge, hypothecation, or lien as on the above date.

Signature: \_\_\_\_\_

Full name: \_\_\_\_\_

Chairman \_\_\_\_\_

Signature: \_\_\_\_\_

Full name: \_\_\_\_\_

Director 1 \_\_\_\_\_

Signature: \_\_\_\_\_

Full name: \_\_\_\_\_

Director 2 \_\_\_\_\_

Signature: \_\_\_\_\_

Full name: \_\_\_\_\_

Principal Officer \_\_\_\_\_

## Note:

1. Custodian should certify that he is not disqualified under SEBI (Custodian of securities) Regulations, 1996 as amended from time to time.
2. Value of the Securities shall be as per Guidelines
3. In the case of Life Insurance Business, FORM-6 shall be prepared in respect of each fund and in aggregate for Segregated Funds
4. The values under certificate should be adjusted for Purchase / Sale of investments purchased and awaiting settlement.

A registration to this effect should be attached to the Certificate.

## FORM 7

(Read with Regulation 10)

Name of the Insurer:

Registration No:

Name of Fund:

Rs. Crore

## DETAILS OF NON-PERFORMING ASSETS - QUARTERLY

NO	PARTICULARS	Bonds / Debentures		Loans		Other Debt instruments		TOTAL	
		YTD (As on date)	Prev. FY (As on 31 Mar .....	YTD (As on date)	Prev. FY (As on 31 Mar .....	YTD (As on date)	Prev. FY (As on 31 Mar .....	YTD (As on date)	Prev. FY (As on 31 Mar .....
1	Investments Assets (As per Form 3A / 3B - Total Fund)								
2	Gross NPA								
3	% of Gross NPA on Investment Assets (2/1)								
4	Provision made on NPA								
5	Provision as a % of NPA (4/2)								
6	Provision on Standard Assets								
7	Net Investment Assets (1-4)								
8	Net NPA (2-4)								
9	% of Net NPA to Net Investment Assets (8/7)								
10	Write off made during the period								

## Certification

Certified that the information given herein are correct and complete to the best of my knowledge. Also certified that the various investments made and covered in the return are within the exhaustive categories provided in Investment Guidelines as amended from time to time.

Signature:

Full name:

Chief of Finance

## Note:

1. The above statement, in the case of 'Life' Insurers shall be prepared 'fund-wise' viz. Life Fund, Pension & General Annuity and Group Business and ULIP Fund
2. Investment Assets should reconcile with figures shown in Schedule 8, 8A, 8B & 9 of the Balance Sheet
3. Gross NPA is investments classified as NPA, before any provisions
4. Provision made on the 'Standard Assets' shall be as per Circular: 32/2/F&A/Circulars/ 169/Jan/2006-07 as amended from time to time.
5. Net Investment assets is net of 'provisions'
6. Net NPA is gross NPAs less provisions
7. Write off as approved by the Board