Insurance Regulatory and Development Authority of India (Re-insurance) Regulations, 2018[1]

[Amended upto 23rd August, 2023]

F. No. IRDAI/Reg/4/151/2018. – In exercise of the powers conferred by section 114A of the Insurance Act, 1938, read with sections 14 and 26 of the Insurance Regulatory and Development Authority Act, 1999, the Authority, in consultation with the Insurance Advisory Committee, hereby makes the following regulations–

1) Short title, commencement and applicability:

1. These regulations shall be called the "Insurance Regulatory and Development Authority of India (Re-insurance) Regulations, 2018".
2. These regulations shall come into effect from 1st January, 2019.
3. [These Regulations shall be applicable to Insurers as defined under Section2 (9) of the Act, and exempted insurers as envisaged under Section118(c) of the Act.][2]
4. [These Regulations shall be reviewed once every three years from the date of notification of the Insurance Regulatory and Development Authority of India (Re-insurance) (Amendment) Regulations, 2023 unless a review, repeal or amendment is warranted earlier.][3]

2) Definitions:

In these regulations, unless the context otherwise requires:

1. 'Act' means the Insurance Act,1938 (4 of 1938);
2. 'Alternative Risk Transfer', hereinafter called by acronym 'ART', (which is also called 'Financial Re-insurance' in life re-insurance business) means non-traditional structured Re-insurance solutions that are tailored to specific needs and profile of an insurer or re-insurer;
3. 'Authority' means the Insurance Regulatory and Development Authority of India established under sub-section (1) of Section 3 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999);
4. 'Board' for the purpose of these regulations means-

[1] Vide Notification No. F. No. IRDAI/Reg/4/151/2018 dated 30th November 2018 published in the Gazette of India, Extraordinary Part III – Section 4, vide No. 465 (w.e.f. 5th December, 2018)

[2] Substituted by Insurance Regulatory and Development Authority of India (Re-insurance) (Amendment) Regulations, 2023 Prior to its substitution read as under:
"3. These Regulations shall be applicable to Insurers as defined under Sec.2 (9) of the Act, International Financial Services Centre (IFSC) Insurance Office (IIO) and Exempted Insurers as defined under Sec.118(c) of the Act"

[3] Inserted by Insurance Regulatory and Development Authority of India (Re-insurance) (Amendment) Regulations, 2023

A. The Board of Directors of (a) the Indian Insurers [other than FRBs][4] writing direct insurance business, (b) Indian Re-insurers and (c) Service Companies of Lloyd's India;

B. The Executive Committee, of Foreign Reinsurers' Branches (FRBs) [5]duly authorized by the Board of Directors of their applicant companies;

C. The Head of the insurance division or department of exempted insurers;

5. 'Cedant' means an Indian Insurer who underwrites direct insurance business and contractually transfers (cedes) a portion of the risk;
6. 'Cession' means the part of risk passed to a Re-insurer by the cedant;
7. 'Cover Note' is a written document, detailing the terms and conditions of the Re-insurance contract, issued by an Indian Insurer writing re-insurance business or a CBR or a Re-insurance broker authorized by the Re-insurer;
8. 'Cross Border Re-insurer', hereinafter called by acronym 'CBR', means a foreign re-insurer including Lloyd's Syndicates, whose place of business is established outside India and which is supervised by its home country regulator. Cross Border Re-insurer includes:

   A. Parent or Group companies of the FRBs;

   B. Parent or Group companies of the IIOs;
9. 'Exempted Insurer' means a person or classes of persons carrying on insurance business under Sec. 118(c) of the Act;
10. "Facultative Reinsurance" means reinsurance for a single risk or a defined package of risks, where neither the cedant is obliged to submit these risks to the reinsurer nor the reinsurer is obliged to provide reinsurance protection;
11. 'Financial Year' means the period as defined under Section 2 (41) of the Companies Act, 2013;
12. 'Foreign Re-insurer's Branch', hereinafter called by acronym 'FRB', means a branch of a Foreign Company engaged in re-insurance business, who has been granted certificate of registration by the Authority under the Insurance Regulatory and Development Authority of India (Registration and Operations of Branch Offices of Foreign Re-insurers other than Lloyd's) Regulations, 2015 or under the Insurance Regulatory and Development Authority of India (Lloyd's India) Regulations, 2016;
13. "Fronting" means a process of transferring risk in which an Indian Insurer cedes or retro-cedes most of or all of the assumed risk to a Re-insurer or retrocessionaire;

[4] Substituted for "other than IIOs", by Insurance Regulatory and Development Authority of India (Re-insurance) (Amendment) Regulations, 2023

[5] Omitted words "and International Financial Service Centre Insurance Offices (IIOs)", by Insurance Regulatory and Development Authority of India (Re-insurance) (Amendment) Regulations, 2023

14. [‘Indian Insurer’, for the purpose of these regulations, means an ‘insurer’ as defined under section 2(9) of the Act, which has been granted certificate of registration by the Authority, and shall also include Exempted Insurers;][6]
15. 'Insurance Pool' means a joint underwriting operation of insurance or re-insurance business, in which the participating Indian Insurers assume a predetermined share in all business written;
16. ‘Insurance Segment’, for the purpose of these regulations, means and includes the following-
    A. Fire (Other than Oil & Energy);
    B. Marine Hull;
    C. Marine Cargo;
    D. Engineering;
    E. Aviation;
    F. Motor;
    G. Health (including Personal Accident & Travel), other than policies issued by insurers transacting Life Insurance business;
    H. Crop;
    I. Trade Credit;
    J. Oil & Energy;
    K. Liability;
    L. Miscellaneous;
    M. Life (including health insurance policies issued by Life Insurers);
    N. Any other segment (under Miscellaneous segment) which contributes more than ten percent of the Gross Written Premium of the Miscellaneous segment;
    O. Any other segment as may be notified by the Authority from time to time;
17. [International Financial Services Centres Authority, also referred to by the acronym IFSCA, means the International Financial Services Centres Authority established under sub-section (1) of Section 4 of the International Financial Services Centres Authority Act, 2019;][7]

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[6] Substituted, by Insurance Regulatory and Development Authority of India (Re-insurance) (Amendment) Regulations, 2023 Prior to its substitution read as under:
“14.‘Indian Insurer’, for the purpose of these regulations, means an ‘insurer’ as defined under section 2(9) of the Act, which has been granted certificate of registration by the Authority, and shall also include Exempted Insurers and IIOs;”

[7] Substituted, by Insurance Regulatory and Development Authority of India (Re-insurance) (Amendment) Regulations, 2023 Prior to its substitution read as under:
“17. International Financial Service Centre (IFSC) Insurance Office’, hereinafter called by acronym ‘IIO’, means a branch office, of an insurer or a Re-insurer domiciled in India or outside, which has been granted a certificate of registration by the Authority to set up its office in IFSC-SEZ, to transact insurance business or re-insurance business or both;”

[17A. ‘International Financial Services Centre (IFSC) Insurance Office’, hereinafter called by acronym ‘IIO’, shall have the same meaning as assigned to it under IFSCA (Registration of Insurance Business) Regulations, 2021][8]

18. 'Re-insurance Contract' is a commercial agreement and legally binding on all the parties evidenced by a Re-insurance Slip or Cover Note or such other document;
19. ‘Re-insurance Slip’ is a document, which provides the abridged details of the risk, terms and conditions offered for re-insurance;
20. 'Retention' means the portion of the risk, which an Indian Insurer assumes for its own account;
21. [‘Retrocession' means a re-insurance transaction whereby a part of assumed reinsured risk is further ceded to another Indian Insurer or an IIO or a CBR;][9]
22. 'Treaty' means a reinsurance contract between a cedant and a reinsurer or between a reinsurer and a retrocessionaire, usually for one year, which stipulates the technical particulars and financial terms applicable to the reinsurance of defined class(es) or segment(s) of business;
23. [‘Domestic Tariff Area’ also denoted by the acronym ‘DTA’ shall have the same meaning assigned to it under sub-section (i) of section 2 of the Special Economic Zones Act, 2005][10]
24. [11]Words and expressions, used and not defined in these regulations but defined in the Act or Insurance Regulatory and Development Authority Act, 1999 (41 of 1999) or the General Insurance Business (Nationalization) Act, 1972 (57 of 1972) or the Life Insurance Corporation Act, 1956 (31 of 1956), rules or regulations made there under shall have the meanings respectively assigned to them in those Acts or rules or regulations.

3) Re-insurance Programme:

1. Objectives

The Re-insurance Programme of every Indian Insurer shall be guided by the following objectives to:

[8] Inserted by Insurance Regulatory and Development Authority of India (Re-insurance) (Amendment) Regulations, 2023

[9] Substituted, by Insurance Regulatory and Development Authority of India (Re-insurance) (Amendment) Regulations, 2023 Prior to its substitution read as under:
“21.'Retrocession' means a re-insurance transaction whereby a part of assumed reinsured risk is further ceded to another Indian Insurer or a CBR”

[10] Inserted by Insurance Regulatory and Development Authority of India (Re-insurance) (Amendment) Regulations, 2023

[11] Re-numbered from “23”, by Insurance Regulatory and Development Authority of India (Re-insurance) (Amendment) Regulations, 2023

A. Maximize retention within the country, subject to proper and adequate diversification of risks;
B. Develop adequate technical capability and financial capacity;
C. Secure the best possible Re-insurance coverage required to protect the interest of the policyholders and (retro)cedants at a reasonable cost;
D. Simplify the administration of business.

2. <u>Retention policy</u>
   A. Every Indian Insurer shall
      a. maintain the maximum possible retention in commensuration with its financial strength, quality of risks and volume of business;
      b. formulate a suitable insurance segment-wise retention policy; bearing in mind the above stated objectives, duly approved by its Board;
      c. ensure that the Re-insurance arrangement is not fronting.
   B. However, every Indian Insurer, transacting life insurance business, shall maintain a minimum retention of-
      a. 25% of sum at risk under pure protection life insurance business portfolio and
      b. 50% of sum at risk under other than pure protection life insurance business portfolio.

   Explanation: The portfolio of business existing prior to the date of effect of these regulations shall continue to be governed by the existing treaties.

   C. [Every Indian Re-insurer including Foreign Re-insurance Branches (FRBs) shall maintain a minimum retention within India of 50% of Indian re-insurance business underwritten. Any retrocession to an IIO up to 20% of Indian re-insurance business underwritten shall be reckoned towards the required minimum retention of 50%.][12]
   D. The Authority may require an Indian Insurer to justify its retention policy and may give such directions, as considered necessary, to fulfill the objectives.

3. <u>Re-insurance Arrangements</u>
   A. Every Indian Insurer shall-
      a. commence its annual Re-insurance Programme from the beginning of every financial year;

[12] Substituted, by Insurance Regulatory and Development Authority of India (Re-insurance) (Amendment) Regulations, 2023 Prior to its substitution read as under:
"C. Every Indian Re-insurer shall maintain a minimum retention of 50% of its Indian business"

b. [submit to the Authority, its proposed Re-insurance programme, for the forthcoming financial year in the specified summary format, at least 45 days before the commencement of the financial year][13];

c. file with the Authority, [within 45 days of the commencement of the financial year][14]:

  i. [its Board approved Final Re-insurance Programme specifically highlighting improvements in net retention per insurance segment together with the variation, if any, from the Re-insurance Programme of the preceding year as well as from the proposed Re-insurance Programme submitted under sub clause (b) of clause (A) of sub Regulation (3) of Regulation 3 .][15]

  ii. re-insurer wise details of actual placements during previous financial year for each Insurance Segment;

d. file with the Authority any new or revision of Re-insurance arrangement (made after the final Re-insurance Programme under 3(3)(A)(c) above is submitted), giving full details with related documents, reasons for such an arrangement together with Board approved copy within 15 days of approval of the Board.

e. [submit to the Authority, within 90 days of the commencement of financial year, a certification from the CEO confirming that all Treaties associated with the Re-insurance Programme for the financial year have been received in original, duly stamped and signed (or digitally signed), from all parties to the treaty.][16]

B. The Board, while formulating the Re-insurance Programme and the retention policy, shall ensure that the Re-insurance arrangements are effective and appropriate by taking into consideration, inter-alia, the following factors:

a. Business mix, overall risk appetite, type and extent of Re-insurance protection required;

b. Level of risk concentration and retention levels;

c. Mechanism of reinsurance.

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[13] Substituted, by Insurance Regulatory and Development Authority of India (Re-insurance) (Amendment) Regulations, 2023 Prior to its substitution read as under:
" b.submit to the Authority, its Board approved Re-insurance Programme along with its retention policy for the forthcoming financial year, 45 days before the commencement of the financial year"

[14] Substituted for words and figures "within 30 days of the commencement of the financial year" by Insurance Regulatory and Development Authority of India (Re-insurance) (Amendment) Regulations, 2023

[15] Substituted, by Insurance Regulatory and Development Authority of India (Re-insurance) (Amendment) Regulations, 2023 Prior to its substitution read as under:
"i. its Board approved Final Re-insurance Programme incorporating the changes, if any, in the programme submitted under 3(3)(A)(b) above or a declaration by the CEO that the entity has not made any change in the filed Programme;"

[16] Inserted by Insurance Regulatory and Development Authority of India (Re-insurance) (Amendment) Regulations, 2023

C. The Re-insurance Programme of Indian Insurers shall include, but not limited to, the following:

   a. Insurance Segment-wise parameters considered for fixation of retention limits;
   b. Insurance Segment-wise statement of retention limits for the proposed financial year vis-a-vis retention limits in the current financial year and reasons for variations, if any;
   c. Insurance Segment-wise statement of net retention ratio for the current financial year (estimated) and for the previous three financial years;
   d. Insurance Segment wise statement of the actual Gross Written Premium Income for the previous financial year, for current financial year (estimated) and the projected Gross Written Premium income for the forthcoming financial year;
   e. Structure of Re-insurance Programme with details of Proportional arrangements for each Insurance Segment (including treaty capacity, retention limits, estimated premium, re-insurance commission structure, event limits etc.) and Non-Proportional Arrangements for each insurance segment (including estimated gross net premium income, cover limits, deductible, excess of loss premium, reinstatement provisions etc.);
   f. Insurance Segment-wise Statement of Re-insurance cost (in terms of quantum as well as percentage to Gross Written Premium) giving details of Gross Written Premium, premium ceded on proportional arrangements and premium ceded on non-proportional arrangements along with Statement showing projected costs for the forthcoming financial year and the actual costs for the previous three financial years including estimated cost for current financial year;
   g. Details of Inward Re-insurance business, if any, separately for Domestic and Foreign business;
   h. Details of Inter-Company Re-insurance arrangements, if any, with other Indian Insurers transacting direct insurance business.

D. [In addition to the requirements as per regulation 3(3)(C) above, every Indian Reinsurer and FRB writing re-insurance business, shall file the Board approved underwriting policy. Any subsequent change, in the underwriting policy, shall be duly approved by the Board and filed with the Authority within 15 days of Board's approval.][17]

[17] Substituted, by Insurance Regulatory and Development Authority of India (Re-insurance) (Amendment) Regulations, 2023 Prior to its substitution read as under:
"In addition to the requirements as at regulation 3(3)(C) above, every Indian Reinsurer, FRB and IIO writing reinsurance business, shall file the Board approved underwriting policy. Any subsequent change, in the underwriting policy, shall be duly approved by the Board and filed with the Authority within 15 days of Board's approval."

E. [Every Indian insurer shall submit soft copies of list of Re-insurers with their credit rating, their shares in the proportional and non-proportional Re-insurance arrangements along with final Re-insurance programme.][18]

4. Catastrophic Risk Protection

Every Indian Insurer shall:

A. ensure that its Re-insurance arrangements in respect of catastrophe accumulations are adequate;
B. have the catastrophe modeling report and the basis along with return period estimates, on which the quantum of catastrophe protection is purchased for each of the perils for the forthcoming financial year duly approved by its Board;
C. file a synopsis of the report along-with the Re-insurance Programme.

5. [Maintenance of Records

The record of list of Re-insurers with their credit rating, their shares in the proportional and non-proportional Re-insurance arrangements, each and every re-insurance contract shall be maintained by every Indian insurer for the period specified in the relevant extant regulations and shall be made available to the Authority for inspection.][19]

4) Cross Border Re-insurer (CBR):

1. No Indian Insurer shall place its Re-insurance business with any CBR, unless it satisfies the following eligibility criteria: -
   A. The CBR is an insurance or Re-insurance entity in its home country, duly authorized by its home country regulator to transact re-insurance business during the immediate past three continuous years;
   B. The CBR has a credit rating of at least BBB from Standard & Poor or equivalent rating from an international rating agency during the immediate past three continuous years;
   C. The home country of the CBR has signed Double Taxation Avoidance Agreement with India;

[18] Inserted by Insurance Regulatory and Development Authority of India (Re-insurance) (Amendment) Regulations, 2023

[19] Substituted, by Insurance Regulatory and Development Authority of India (Re-insurance) (Amendment) Regulations, 2023 Prior to its substitution read as under:
"5. Maintenance of Records
Every Indian insurer shall submit soft copies of each and every re-insurance contract, list of Re-insurers with their credit rating, their shares in the proportional and non-proportional Re-insurance arrangement. The hard copies of the above documents shall be maintained for the period specified in the relevant extant regulations and shall be made available to the Authority for inspection"

D. The CBR has minimum solvency margin or capital adequacy, as specified by the home country regulator, during the immediate past three continuous years;
E. The past claims settlement experience of the CBR is found to be satisfactory;
F. Any other requirements as stipulated by the Authority from time to time.

2. Reinsurance placements with a CBR, not fulfilling the above stated eligibility criteria shall require prior approval of the Authority. [Reinsurance placements with any International Pool or Risk sharing arrangement having CBRs as members, participants or administrators shall also require prior approval of the Authority][20]

3. The Authority may stipulate norms for relaxations of these criteria and limits of cessions to a CBR under Regulation 6 along with operational procedures for filing CBR information, through guidelines issued from time to time.
4. [To maximize retention in India and to increase domestic capacity, the Authority may undertake review of the business underwritten, claims experience and lines of support given by a CBR, and based on the review, the Authority may stipulate such conditions as may be considered necessary to achieve the stated objectives][21]

5) Procedures for Re-insurance placements:

1. [Seeking lead re-insurance support:

Every Cedant shall abide by the following provisions whilst seeking best re-insurance terms:

A. Every Cedant shall firstly seek lead terms (other than emanating from obligatory cession) from all Indian Re-insurers which have been without interruption transacting re-insurance business during immediate previous complete three financial years and at least 4 other “Category 2” (as per clause (b) of sub-regulation (2)(A) of Regulation 5) reinsurers.

B. No Cedant shall seek lead terms from CBRs/IIOs having credit rating below ‘A-‘from Standard & Poor’s or an equivalent credit rating from any other International Rating Agency.
Provided that such requirement of minimum credit rating shall not be applicable if an IIO is a subsidiary/ branch of an Indian insurer.

[20] Inserted by Insurance Regulatory and Development Authority of India (Re-insurance) (Amendment) Regulations, 2023
[21] Inserted by Insurance Regulatory and Development Authority of India (Re-insurance) (Amendment) Regulations, 2023

C. Except for facultative re-insurance protection, no cedant shall seek terms from any Indian Insurer, which is not registered with the Authority exclusively to transact re-insurance business or from an IIO which is not permitted to undertake re-insurance business by IFSCA.

D. The cedant shall be responsible and accountable to comply with these regulations, irrespective of whether the terms are obtained directly or through any Re-insurance Broker.

Explanation : A cedant may not seek terms from a Reinsurer or an IIO which is a group/associate company of other Indian Insurer.][22]

2. Offer for Participation:

A. [Every cedant shall secure maximum participation by 'Category 1' and 'Category 2' reinsurers in order to maximise retention within Indian market while fulfilling the minimum necessary placement with the lead reinsurers quoting the best terms (other than emanating from obligatory cession). Every cedant shall abide by the following Order of Preference whilst seeking placement:

a) Category 1: Indian Reinsurers
b) Category 2: IIOs (which invest 100 % of retained premiums, emanating from insurers in India, in the DTA) and FRBs.
c) Category 3: Other IIOs;
d) Category 4: Other Indian Insurers (only in respect of per-risk facultative placements in the insurance segment for which the Insurer is registered to transact business) and CBRs.

Explanation 1: Except for facultative re-insurance protection, no cedant shall seek participation from any Indian Insurer, which is not registered with the Authority exclusively to

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[22] Substituted by Insurance Regulatory and Development Authority of India (Re-insurance) (Amendment) Regulations, 2023 Prior to its substitution read as under:
"1. Obtaining best terms for Cessions:
Every cedant, shall be free to obtain best terms for its Re-insurance protection of domestic risks, subject to the following:
A. Cedants shall seek terms at least from all Indian Re-insurers, who have been transacting Re-insurance business (other than emanating from obligatory cession) during the immediate past three continuous years and at least from four FRBs.
B. No cedant shall seek terms from:
a.IIOs having credit rating below A- from Standard & Poor's or equivalent rating from any other International Rating Agency or
b.CBRs having credit rating below A- from Standard & Poor's or equivalent rating from any other International Rating Agency.
C. No cedant shall seek terms from any Indian Insurer, not registered with the Authority to transact reinsurance business.
D. The cedant shall be responsible and accountable to comply with these regulations, irrespective of whether the terms are obtained directly or through Re-insurance Broker."

transact re-insurance business and an IIO, which is not permitted to undertake re-insurance business by IFSCA. Further such Indian Insurer and IIO shall not be offered to lead on any reinsurance protection.

Explanation 2: A cedant may opt not to offer participation to FRB or an IIO who declined to quote or did not quote the terms.

Explanation 3: A cedant may not offer for participation to an Indian Reinsurer, FRB or an IIO which is a group/associate company of other Indian Insurer.*]*[23]

B. Subject to compliance of regulation 5(2)(A) above, no cedant, except through the FRBs, shall make an offer for participation to the CBRs, which are applicant companies of the FRBs, unless:
   a. The total sum-insured is rupees two thousand five hundred crore or more for property insurance, material damage and business interruption combined at one location; or
   b. The total sum-insured is rupees one hundred crore or more for liability cover, per event; or
   c. The offer for participation is for Aviation, Oil & up-stream energy, Marine Hull risk; or
   d. Prior approval of the Authority is obtained for exceptions to the above.

C. The cedant shall be responsible and accountable to comply with these regulations, irrespective of whether the offer for participation is made -
   a. directly or through Re-insurance Brokers,
   b. to the facilities of Re-insurance capacity arranged by Re-insurance Brokers,
   c. to the promoter company or its associate group companies.

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[23] Substituted by Insurance Regulatory and Development Authority of India (Re-insurance) (Amendment) Regulations, 2023 Prior to its substitution read as under:
"Every cedant shall offer best terms obtained, for participation in the following order of preference:
a. to Indian Re-insurers, transacting re-insurance business (other than emanating from obligatory cession) during the immediate past three continuous financial years;
b.to other Indian Re-insurers and FRBs;
c. to the IIO as under regulation 5(1)(B)(a) which provided the best and lead terms with capacity of not less than 10%;
d. to the CBR as under regulation 5(1)(B)(b) which provided the best and lead terms with capacity of not less than 10%;
e. to other IIOs;
f. to other Indian Insurers (only Facultative) and CBRs.
Explanation: Except for facultative reinsurance protection, no cedant shall offer for participation to any Indian Insurer, which is not registered with the Authority exclusively to transact reinsurance business. Further such Indian Insurer shall not be offered to lead on any reinsurance protection"

3. Nothing in Regulations 5(1) and 5(2) shall apply to the following:
   A. Retrocession or reinsurance placements of Indian Re-insurers, FRBs, IIOs and Insurance Pools;
   B. Existing inter-company arrangements of the Indian Insurers transacting direct insurance business;
   C. Obligatory cessions as notified from time to time under Section 101A of the Act;
   D. Re-insurance placements of Indian insurers transacting life insurance business. However, Indian insurers, transacting life insurance business, shall endeavor to utilize the Indian domestic capacity before offering to the CBRs.

4. Further that no Indian insurer transacting life insurance business shall, without the prior approval of the Authority, have re-insurance arrangements with its promoter company or its associate or group companies except on terms which are commercially competitive, on an arm's length basis.

6) Cession limits:

1. Re-insurance placements with CBRs by the cedants transacting other than life insurance business shall be subject to the following overall cession limits during a financial year.

Rating of the CBR as per Standard & Poor or equivalent	**Maximum overall cession limits allowed per CBR**
Greater than A+	20%
Greater than BBB+ and up to and including A+	15%
BBB & BBB+	10%

   Explanation: *The above percentages are to be calculated on the total reinsurance premium ceded out-side India.*

2. No placement exceeding the aforesaid limits shall be made unless prior approval of the Authority is obtained. [*Provided that* the cession limits as above shall not be applicable to cedants which place total reinsurance premiums outside India up to rupees seventy-five crore during a financial year and the placements are with CBRs having a rating of BBB+ and above.][24]

7) Domestic Insurance Pools:

[24] Inserted by Insurance Regulatory and Development Authority of India (Re-insurance) (Amendment) Regulations, 2023

1. The proposal for an Insurance Pool, could be initiated by any Indian Insurer by submitting a proposal to the Authority.
2. The Authority, after examining various factors including its objectives, basis, capacity for participation, limits of liability, terms and conditions, may permit formation of domestic Insurance Pool(s). The Authority, wherever necessary, may also suo-moto direct Indian Insurers to create and participate in domestic Insurance Pools.
3. Constitution of the Insurance Pools and selection of Administrator shall be as per the direction of the Authority.
4. The Pool Administrator shall submit the returns, details of Re-insurance arrangement, statements on the performance of the pool, in the manner and periodicity as stipulated by the Authority from time to time.

8) Alternative Risk Transfer (ART):

1. An Indian Insurer, intending to adopt ART solutions, shall submit such proposals to the Authority.
2. The Authority, after necessary examination and on being satisfied with the type of ART solution may allow the ART proposal on a case to case basis.

9) Inward Re-insurance Business:

Every Indian Insurer (transacting direct insurance business) for writing inward Re-insurance business shall:

1. put in place a well-defined underwriting policy duly approved by its Board;
2. file with the Authority, its inward re-insurance underwriting policy (stating the insurance segments, geographical scope, underwriting limits, and performance objectives) duly approved by its Board along with the Re-insurance Programme within the time lines specified in Regulation 3 above; and
3. file with the Authority any change to the inward re-insurance underwriting policy filed earlier as and when a change is made duly approved by its Board within 15 days of Board approval.

10) Submission of Information:

Every Indian Insurer shall submit to the Authority, information and returns relating to its Re-insurance transactions, in such form and manner as the Authority may stipulate from time to time.

11) Repeal and Savings:

1. These Regulations repeal the Insurance Regulatory and Development Authority of India (General Insurance - Reinsurance) Regulations, 2016 and Insurance Regulatory and Development Authority (Life Insurance -Reinsurance) Regulations, 2013.
2. Unless otherwise provided by these regulations, nothing in these regulations shall deem to invalidate arrangements entered prior to these regulations coming into force.
3. The Insurance Regulatory and Development Authority of India (Registration and Operations of Branch Offices of Foreign Reinsurers other than Lloyd's) Regulations, 2015, shall be amended in the manner specified in The First Schedule of these regulations.
4. The Insurance Regulatory and Development Authority of India (Lloyd's India) Regulations, 2016 shall be amended in the manner specified in The Second Schedule of these regulations.

12) Power of the Authority:

1. The Authority may call for further information or explanation, as may be necessary, on all matters related to Re-insurance and may direct the Indian insurer to carry out necessary changes in the Re-insurance Programme filed with the Authority.
2. The Authority may issue guidelines stipulating such terms and conditions for Re-insurance placements including-
   A. Collateral, risk charges;
   B. recognition of equivalent jurisdictions;
   C. percentage of cession limits with a CBR, all CBRs taken together.
   D. [exposure limits of a CBR, with all cedants taken together;
   E. framework for domestic and international Insurance Pools.][25]
3. In order to remove doubts or difficulties that may arise in the application or interpretation of any of the provisions of these Regulations, the Chairperson of the Authority may issue appropriate clarifications or guidelines as deemed necessary.

13) [26][Transition Provision

All reinsurance placements under any arrangements/ treaties for financial year 2023-24 entered into by insurers prior to the date of notification of the Insurance Regulatory and Development Authority of India (Re-insurance) (Amendment) Regulations, 2023 shall continue for the remaining period of the year as per the terms therein. Insurers shall ensure

[25]Inserted by Insurance Regulatory and Development Authority of India (Re-insurance) (Amendment) Regulations, 2023

[26] Inserted by Insurance Regulatory and Development Authority of India (Re-insurance) (Amendment) Regulations, 2023

that any new treaties/ arrangements entered into on or after the date of notification of Insurance Regulatory and development Authority of India (Re-insurance) (Amendment) Regulations, 2023 shall be compliant with provisions of these regulations.]