

# Insurance Regulatory and Development Authority of India (IRDAI)

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## In news

Recently, IRDAI issued an exposure draft on compensating shareholder on the merger of insurers

## History of IRDAI

- IRDAI is an autonomous, statutory body tasked with regulating and promoting the insurance and reinsurance industries in India
- It was constituted by the Insurance Regulatory and Development Authority Act, 1999
- It has its headquarter in Hyderabad

## Composition of IRDAI

It is a 10-member body including the chairman, five full-time and four part-time members appointed by the government of India.

## Powers and Functions of IRDAI

Section 14 of IRDAI Act, 1999 lays down following powers and functions of IRDAI:

- Issue to the applicant a certificate of registration, renew, modify, withdraw, suspend or cancel such registration;
- Protection of the interests of the policy holders in matters concerning assigning of policy, nomination by policy holders, insurable interest, settlement of insurance claim, surrender value of policy and other

terms and conditions of contracts of insurance

- Specifying requisite qualifications, code of conduct and practical training for intermediary or insurance intermediaries and agents
- Specifying the code of conduct for surveyors and loss assessors
- Promoting efficiency in the conduct of insurance business
- Promoting and regulating professional organisations connected with the insurance and re-insurance business
- Levying fees and other charges for carrying out the purposes of this Act
- Calling for information from, undertaking inspection of, conducting enquiries and investigations including audit of the insurers, intermediaries, insurance intermediaries and other organisations connected with the insurance business
- Control and regulation of the rates, advantages, terms and conditions that may be offered by insurers in respect of general insurance business not so controlled and regulated by the Tariff Advisory Committee under section 64U of the Insurance Act, 1938
- Specifying the form and manner in which books of account shall be maintained and statement of accounts shall be rendered by insurers and other insurance intermediaries
- Regulating investment of funds by insurance companies
- Regulating maintenance of margin of solvency
- Adjudication of disputes between insurers and intermediaries or insurance intermediaries;
- Supervising the functioning of the Tariff Advisory Committee
- Specifying the percentage of premium income of the insurer to finance schemes for promoting and regulating professional organisations referred to in clause (f) of the act
- Specifying the percentage of life insurance business and general insurance business to be undertaken by the

insurer in the rural or social sector