

F. No. 12018/2/2021-Ins.II  
**Government of India**  
**Ministry of Finance**  
**Department of Financial Services**

Jeevan Deep Building, 2<sup>nd</sup> floor  
Sansad Marg, New Delhi - 110 001  
Dated 29<sup>th</sup> November 2022

**Office Memorandum**

**Subject:** Inviting comments on proposed amendments to the Insurance Act, 1938 and Insurance Regulatory and Development Authority Act, 1999

In view of the changing needs of the insurance sector, a comprehensive review of the legislative framework governing the sector has been done in consultation with IRDAI and the industry. A number of suggestions have been received to enhance insurance penetration, improve efficiency, and enable product innovation and diversification.

2. The proposed amendments primarily focus on enhancing the financial security of the policyholders, promoting policyholders' interests, improving returns to the policyholders, facilitating entry of more players in insurance market leading to economic growth and employment generation, enhancing efficiencies of the insurance industry - operational as well as financial and enabling ease of doing business

3. The proposal includes various measures such as opening up registration to various classes, sub-classes and types of insurers with appropriate minimum capital requirements as specified by IRDAI, allowing services to insurers that are incidental or related to insurance business as well as distribution of other financial products as specified by IRDAI, enabling newer channels of distribution, providing for efficient use of capital and resources, etc.

4. You are requested to kindly provide comments on the proposed amendments in the Insurance Act, 1938 and Insurance Regulatory and Development Authority Act, 1999 in the attached Performa with subject as "Suggestions on Proposed Amendments".

5. Comments may be sent on e-mail [consultation-dfs@gov.in](mailto:consultation-dfs@gov.in). Last date of sending your suggestions on the above is **15.12.2022**.

Encl. as above.

  
(Joy Saxena)

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<b>Performa B for suggestions on proposed amendments to the Insurance Regulatory and Development Authority Act, 1999</b>			
Existing Sections of the Insurance Regulatory and Development Authority Act, 1999	Proposed Amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p><b>1. Short title, extent and commencement.</b></p> <p>(1) This Act may be called the Insurance Regulatory and Development Authority Act, 1999.</p> <p>(2) It extends to the whole of India.</p> <p>(3) It shall come into force on such date* as the Central Government may, by notification in the Official Gazette, appoint:</p> <p>Provided that different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.</p>	<p><b>1.Short title, extent and commencement. —</b></p> <p>(1) This Act may be called the <b>Insurance Laws (Amendment) Act, 2022.</b></p> <p>(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint:</p> <p>Provided that different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.</p>		

**Performa B for suggestions on proposed amendments to the Insurance Regulatory and Development Authority Act, 1999**

Existing Sections of the Insurance Regulatory and Development Authority Act, 1999	Proposed Amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>2. <b>Definitions</b> (1) In this Act, unless the context otherwise requires,--</p> <p>(f) "Intermediary" or "insurance intermediary" includes insurance brokers, reinsurance brokers, insurance consultants, corporate agents, third party administrator, surveyors and loss assessors and such other entities, as may be notified by the Authority from time to time;</p>	<p>(f) <b>“Intermediary or insurance intermediary” shall have the meaning assigned to it in clause (10B) of section 2 of the Insurance Act, 1938;</b></p>		

**Performa B for suggestions on proposed amendments to the Insurance Regulatory and Development Authority Act, 1999**

Existing Sections of the Insurance Regulatory and Development Authority Act, 1999	Proposed Amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification

<p><b>4. Composition of Authority</b>                      The Authority shall consist of the following members, namely:--                      (a) a Chairperson;                      (b) not more than five whole-time members;                      (c) not more than four part-time members, to be appointed by the Central Government from amongst persons of ability, integrity and standing who have knowledge or experience in life insurance, general insurance, actuarial science, finance, economics, law, accountancy, administration or any other discipline which would, in the opinion of the Central Government, be useful to the Authority:                      Provided that the Central Government shall, while appointing the Chairperson and the whole-time members, ensure that at least one person each is a person having knowledge or experience in life insurance, general insurance or actuarial science, respectively.</p>	<p>The Authority shall consist of the following members, namely:--                      (a) a Chairperson;                      (b) not more than five whole-time members;                      (c) not more than four part-time members, to be appointed by the Central Government from amongst persons of ability, integrity and standing who have knowledge or experience in life insurance, general insurance, actuarial science, finance, economics, law, accountancy, administration, <b>information technology</b>, or any other discipline which would, in the opinion of the Central Government, be useful to the Authority:</p>		
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**Performa B for suggestions on proposed amendments to the Insurance Regulatory and Development Authority Act, 1999**

Existing Sections of the Insurance Regulatory and Development Authority Act, 1999	Proposed Amendments by DFS	Comments/ Suggestions from General Public	
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<p><b>5. Tenure of office of Chairperson and other members</b></p> <p>(1)The Chairperson and every other whole-time member shall hold office for a term of five years from the date on which he enters upon his office and shall be eligible for reappointment:</p> <p>Provided that no person shall hold office as a Chairperson after he has attained the age of sixty-five years:</p> <p>Provided further that no person shall hold office as a whole-time member after he has attained <b>the age of sixty-two years.</b></p>	<p>(1) The Chairperson and every other whole-time member shall hold office for a term of five years from the date on which he enters upon his office and shall be eligible for reappointment:</p> <p><b>Provided that no person shall hold office as a Chairperson or other whole-time member after he has attained the age of sixty-five years.</b></p>		
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<b>Performa B for suggestions on proposed amendments to the Insurance Regulatory and Development Authority Act, 1999</b>			
Existing Sections of the Insurance Regulatory and Development Authority Act, 1999	Proposed Amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p><b>14. Duties, powers and functions of Authority</b></p> <p>(1) Subject to the provisions of this Act and any other law for the time being in force, the Authority shall have the duty to regulate, promote and ensure orderly growth of the insurance business and re-insurance business.</p> <p>(2) Without prejudice to the generality of the provisions contained in sub-section (1), the powers and functions of the Authority shall include,--</p> <p>(a) issue to the applicant a certificate of registration, renew, modify, withdraw, suspend or cancel such registration;</p> <p>(b) 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;</p> <p>(c) specifying requisite qualifications, code of conduct and practical training for</p>			

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<p>Intermediary or insurance intermediaries and agents;</p> <p>(d) specifying the code of conduct for surveyors and loss assessors; (e) promoting efficiency in the conduct of insurance business;</p> <p>(f) promoting and regulating professional organisations connected with the insurance and re-insurance business;</p> <p>(g) levying fees and other charges for carrying out the purposes of this Act;</p> <p>(h) 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;</p> <p>(i) 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;</p>	<p>Clause 14(2)(d) is omitted</p> <p>(i) control and regulation of the rates, advantages, terms and conditions that may be offered by insurers in respect of general insurance business</p>		

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Existing Sections of the Insurance Regulatory and Development Authority Act, 1999	Proposed Amendments by DFS	Comments/ Suggestions from General Public	
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(j) 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; (k) regulating investment of funds by insurance companies; (l) regulating maintenance of margin of solvency; (m) adjudication of disputes between insurers and intermediaries or insurance intermediaries; (n) supervising the functioning of the Tariff Advisory Committee;	Clause 14(2)(n) is omitted		



**Performa B for suggestions on proposed amendments to the Insurance Regulatory and Development Authority Act, 1999**

Existing Sections of the Insurance Regulatory and Development Authority Act, 1999	Proposed Amendments by DFS	Comments/ Suggestions from General Public	
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<p><b>23. Delegation of powers</b></p> <p>(1) The Authority may, by general or special order in writing, delegate to the Chairperson or any other member or officer of the Authority subject to such conditions, if any, as may be specified in the order, such of its powers and functions under this Act as it may deem necessary</p>	<p>(1) The Authority may, by general or special order, delegate to the Chairperson or any other member or any officer of the Authority, subject to such conditions, if any, as may be specified in the order, such of its powers and functions under this Act as it may deem necessary for the efficient discharge of functions of the Authority:</p> <p>Provided that the following functions and powers shall not be delegated, namely: —</p> <p>(i) power to make regulations;</p> <p>(ii) power to register an insurer.</p>		
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**Performa A for suggestions on proposed amendments to the Insurance Act, 1938**

Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p><b>Section 1. Short title, extent and commencement. —</b>                      (1) This Act may be called the <b>Insurance Act, 1938.</b>                       (2) It extends to the whole of India.                       (3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint in this behalf.</p>	<p><b>1.Short title, extent and commencement. —</b>                      (1) This Act may be called the <b>Insurance Laws (Amendment) Act, 2022.</b>                       (2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint:                      Provided that different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.</p>		
<p><b>Section 2. Definitions. —</b> In this Act, unless there is anything</p>			

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
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<p>repugnant in the subject or context, —</p> <p>(3) “approved securities” means—</p> <p>(iii) shares of a corporation established by law and guaranteed fully by the Central Government or the Government of a State as to the repayment of the principal and the payment of dividend;</p> <p>(iv) securities issued or guaranteed fully as regards principal and interest <b>by the Government of any Part B State</b> and specified as approved securities for the purposes of this Act by the Central Government by notification in the Official Gazette ; and</p> <p>Provided that securities or debentures specified in item (v) shall be recognised as approved</p>	<p>(iii) shares of a corporation established by law and guaranteed fully by the Central Government or the Government of a State as to the repayment of the principal and the payment of dividend; <b>and</b></p> <p>(iv) securities issued or guaranteed fully as regards principal and interest and specified as approved securities for the purposes of this Act by the Central Government by notification in the Official Gazette.</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
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<p>securities only for such purposes and for such period and subject to such conditions as may be prescribed ;</p> <p><i>Explanation.</i> — In sub-clauses (i) and (iii), “Government of a State” in relation to any period before the 1st November, 1956, means the Government of a Part A State.]</p> <p>(4) “auditor” means a person qualified under the Chartered Accountants Act, 1949 (38 of 1949), to act as an auditor of companies;</p> <p>(4A) “banking company” and “company” shall have the meanings respectively assigned to them in clauses (c) and (d) of sub-section (1) of section 5 of the Banking Companies Act, 1949 (10 of 1949);</p>	<p>(4A) “banking company” and “company” shall have the meanings respectively assigned to them in clauses (c) and (d) of section (5) of the Banking Regulations Act, 1949;</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>New Insertion</p> <p>(5) “certified” in relation to any copy or translation of a document required to be furnished by or on behalf of an insurer or a provident society as defined in Part III means certified by a principal officer of such insurer or provident society to be a true copy or a correct translation, as the case may be.</p> <p>New Insertion</p>	<p>(4B) “captive insurer” means an insurer carrying on the class of general insurance business or any of its sub-classes exclusively for its holding company or its subsidiary company or its associate company, as defined in clauses (46), (87) and (6), respectively of section 2 of the Companies Act, 2013</p> <p>(5) “certified” in relation to any copy or translation of a document required to be furnished by or on behalf of an insurer means certified by a principal officer of such insurer, or other authorised person to be a true copy or a correct translation, as the case may be;</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
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<p>(6C) “health insurance business” means the effecting of contracts which provide for sickness benefits or medical, surgical or hospital expense benefits, whether in-patient or out-patient travel cover and personal accident cover;</p> <p>New Insertion</p> <p>(7A) “Indian insurance company” means any insurer, being a</p>	<p>(5A) “class of insurance business” refers to the class of life insurance or the class of general insurance business or the class of health insurance business or the class of re-insurance business;</p> <p>(6C) “health insurance business” means effecting contracts of insurance that provide sickness benefits or pay for medical and health expenses;</p> <p>(6D) “insurance business” means life insurance business, general insurance business, health insurance business, or re-insurance business;</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>company which is limited by shares, and, —</p> <p>(a) which is formed and registered under the Companies Act, 2013 (18 of 2013) as a public company or is converted into such a company within one year of the commencement of the Insurance Laws (Amendment) Act, 2015 (5 of 2015);</p> <p>(b) in which the aggregate holdings of equity shares by foreign investors including portfolio investors, do not exceed seventy-four per cent. of the paid-up equity capital of such Indian insurance company, and the foreign investment in which shall be subject to such conditions and manner, as may be prescribed.</p> <p><i>Explanation.</i> —For the purposes of this sub-clause, the expression “control” shall include the right</p>	<p>(7A) “Indian insurance company” means an insurer who is a company, formed and registered under the Companies Act, 2013 as a public company;</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>to appoint a majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements;</p> <p>(c) whose sole purpose is to carry on life insurance business or general insurance business or re-insurance business or health insurance business;</p> <p>(8A) “insurance co-operative society” means any insurer being a co-operative society, —</p> <p>(a) which is registered on or after the commencement of the Insurance (Amendment) Act, 2002 (42 of 2002), as a co-operative society under the Co-operative Societies Act, 1912 (2 of 1912) or under any other law for the time being in force in any</p>	<p>(8A) “Insurance co-operative society” means an insurer who is a society, formed and registered under the Co-operative Societies Act, 1912 or under any other law for the time being in force in any State relating to Co-operative Societies or under the Multi</p>		



**Performa A for suggestions on proposed amendments to the Insurance Act, 1938**

Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>State relating to Co-operative Societies or under the Multi-State Co-operative Societies Act, 1984 (51 of 1984);</p> <p>(b) having a minimum paid-up capital of rupees one hundred crore in case of life insurance business, general insurance business and health insurance business;]</p> <p>(c) in which no body corporate, whether incorporated or not, formed or registered outside India, either by itself or through its subsidiaries or nominees, at any time, holds more than twenty-six per cent of the capital of such Co-operative Society;</p> <p>(d) whose sole purpose is to carry on life insurance business or general insurance business or health insurance business in India;]</p>	<p>State Co-operative Societies Act, 1984;</p>		

**Performa A for suggestions on proposed amendments to the Insurance Act, 1938**

Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>(9) “insurer” means—</p> <p>(a) an Indian Insurance Company, or</p> <p>(b) a statutory body established by an Act of Parliament to carry on insurance business, or</p> <p>(c) an insurance co-operative society, or</p> <p>(d) a foreign company engaged in re-insurance business through a branch established in India.</p> <p><i>Explanation.</i> — For the purposes of this sub-clause, the expression “foreign company” shall mean a company or body established or incorporated under a law of any country outside India and includes Lloyd’s established under the Lloyd’s Act, 1871 (United Kingdom) or any of its Members;</p>	<p>(9) “insurer” means a person who carries on insurance business;</p>		

**Performa A for suggestions on proposed amendments to the Insurance Act, 1938**

Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>(10B) “intermediary or insurance intermediary” shall have the meaning assigned to it in clause (f) of sub-section (1) of section 2 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999);</p> <p>(13BA) “National Company Law Tribunal” means the National Company Law Tribunal constituted under section 10FB of the Companies Act, 1956 (1 of 1956);</p> <p>(13BB) “the National Company Law Appellate Tribunal” means the National Company Law Appellate Tribunal constituted under sub-section (1) of section 10FR of the Companies Act, 1956 (1 of 1956);</p>	<p>(10B) “Intermediary or insurance intermediary” includes insurance brokers, re-insurance brokers, corporate agents and such other entities, as may be notified by the Authority from time to time;</p> <p>(13BA) “National Company Law Tribunal” means the National Company Law Tribunal constituted under clause (90) of section 2 of the Companies Act,2013;</p> <p>(13BB) “the National Company Law Appellate Tribunal” means the National Company Law Appellate Tribunal constituted under sub-section (10) of</p>		

**Performa A for suggestions on proposed amendments to the Insurance Act, 1938**

Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
New Insertion	section 410 of the Companies Act, 2013;		
New Insertion	(13BC) “personal accident insurance business” means effecting contracts of insurance that provide for payment of money in the event of death, disablement or hospitalisation arising on account of an accident;		
New Insertion	(13BD) “premium” means the amount paid or payable as consideration to the insurer for a contract of insurance;		
(16) “private company” and “public company” have the meanings respectively assigned to them in <sup>1</sup> [clause (68) and <b>clause</b>	(14A) “principal officer” means an officer of an insurer, authorized as such for the purposes of the Act;  (16) Private company" and "public company" have the		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
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<p>(72) of section 2 of the Companies Act, 2013 (18 of 2013)];</p> <p>New Insertion</p>	<p>meanings respectively assigned to them in clause (68) and <b>clause (71)</b> of section 2 of the Companies Act, 2013 (18 of 2013);</p> <p>(17) “sub-class” of a class of insurance business means fire, marine and miscellaneous sub-classes of the class of general insurance business; personal accident and travel sub-classes of health insurance business and any other part or segment of a class of insurance business, specified by the Authority under section 2BA;</p> <p>(18) “surveyor and loss assessor” means a person who carries out any survey or loss assessment for insurers carrying on general insurance business,</p>		
<p>New Insertion</p>			

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New Insertion	<p>for a claim in respect of loss occurred in India;</p> <p>(19) “travel insurance business” means effecting of contracts of insurance that provide for sickness benefits or pay for medical and health expenses or payment of money in the event of death, disablement or hospitalization arising on account of an accident or for losses suffered, in the course of travel.</p>		
New Insertion	<p>2BA. (1) <b>Part or segment of a class as its sub-class.</b>—The Authority may, by notification, specify any part or segment of a class of insurance business as its sub-class other than those defined in the Act.</p> <p>(2) The Authority may, by notification, specify different</p>		

**Performa A for suggestions on proposed amendments to the Insurance Act, 1938**

Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
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	types or categories of insurer, based on such criteria as its area of operation, level of risk or premium, channel of distribution, including in the nature of a captive insurer.”.		
<p><b>2C. Prohibition of transaction of insurance business by certain persons.</b> — (1) Save as hereinafter provided, no person shall, after the commencement of the Insurance (Amendment) Act, 1950 (47 of 1950), begin to carry on any class of insurance business in India and no insurer carrying on any class of insurance business in India shall after the expiry of one year from such commencement, continue to carry on any such business unless he is—</p> <p>(a) a public company, or</p> <p>(b) a society registered under the Co-operative Societies Act,</p>	<p>(1) Save as hereinafter provided, no person shall, after the commencement of the Insurance (Amendment) Act, 1950 (47 of 1950), begin to carry on any class of insurance business in India and no insurer carrying on any class of insurance business in India shall after the expiry of one year from such commencement, continue to carry on any such business unless he is—</p> <p>(a) a public company, or</p> <p>(b) a society registered under the Co-operative Societies Act, 1912</p>		

**Performa A for suggestions on proposed amendments to the Insurance Act, 1938**

Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>1912 (2 of 1912), or under any other law for the time being in force in any State relating to co-operative societies, or</p> <p>(c) a body corporate incorporated under the law of any country outside India not being of the nature of a private company:</p>	<p>(2 of 1912), or under any other law for the time being in force in any State relating to co-operative societies, or</p> <p>(ba) Central Government or a State Government or a Government company as defined in clause (45) of section 2 of the Companies Act, 2013;</p> <p>(bb) a statutory body established by an Act of Parliament to carry on insurance business;</p> <p>(c) a company or a body established or incorporated under a law of any country outside India and engaged in re-insurance business that establishes a branch in India for the purpose of re-insurance business exclusively and includes Lloyd's established under the Lloyd's Act, 1871</p>		



**Performa A for suggestions on proposed amendments to the Insurance Act, 1938**

Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>Provided that the Central Government may, by notification in the Official Gazette, exempt from the operation of this section to such extent for such period and subject to such conditions as it may specify, any person or insurer for the purpose of carrying on the business of granting superannuation allowances and annuities of the nature specified in sub-clause (c) of clause (11) of section 2 or for the purpose of carrying on any general insurance business:</p> <p>Provided further that in the case of an insurer carrying on any general insurance business no such notification shall be issued</p>	<p>(United Kingdom) or any of its Members:</p> <p>Provided that the Central Government may, by notification in the Official Gazette, exempt from the operation of this section to such extent for such period and subject to such conditions as it may specify, any person or insurer for the purpose of carrying on the business of granting superannuation allowances and annuities of the nature specified in sub-clause (c) of clause (11) of section 2 or for the purpose of carrying on any general insurance business:</p> <p>Provided further that in the case of an insurer carrying on any general insurance business no such notification shall be issued</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
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<p>having effect for more than three year at any one time.</p> <p>Provided also that no insurer other than an Indian insurance company shall begin to carry on any class of insurance business in India under this Act on or after the commencement of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999).</p>	<p>having effect for more than three year at any one time.</p> <p>Provided also that a society registered under the Co-operative Societies Act, 1912 (2 of 1912), or under any other law for the time being in force in any State relating to co-operative societies shall not begin to carry on any class of insurance business in India under this Act on or after the commencement of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999):</p> <p>Provided also that a company or a body established or incorporated under a law of any country outside India shall not continue to carry on or commence any class or sub-class of insurance business other than the class of re-insurance</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>Provided also an insurer, being an Indian Insurance Company, insurance co-operative society or, a body corporate referred to in clause (c) of this sub-section carrying on the business of insurance, may carry on any business of insurance in any Special Economic Zone as defined in clause (za) of section 2 of the Special Economic Zones Act, 2005 (28 of 2005).</p> <p>(3) Notwithstanding anything contained in sub-section (1), an insurance co-operative society may carry on any class of insurance business in India under this Act on or after the commencement of the Insurance (Amendment) Act, 2002 (42 of 2002).</p>	<p>business.</p> <p>Provided also that an insurer as defined under sub-section (9) of section 2 carrying on the business of insurance, may carry on any business of insurance in any Special Economic Zone as defined in clause (za) of section 2 of the Special Economic Zones Act, 2005 (28 of 2005).</p> <p>Proposed to be omitted</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
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<p><b>3. Registration.</b> — (2) Every application for registration shall be made in such manner and shall be accompanied by such documents as may be specified by the regulations.</p> <p>(2A) If, on receipt of an application for registration and after making such inquiry as he deems fit, the Authority is satisfied that—</p> <p>(a) the financial condition and the general character of management of the</p>	<p>(2) Every application for registration <b>for one or more classes or sub-classes of insurance business by any category or type of insurer</b> shall be <b>made in such manner</b> and shall be accompanied by such documents and <b>payment of such fee</b> as may be specified by the regulations:</p> <p><b>Provided that a person carrying on or applying for the class of re-insurance business shall not be eligible for registration of any other class or sub-class of insurance business.</b></p> <p>(2A) If, on receipt of an application for registration and after making such inquiry as he deems fit, the Authority is satisfied that —</p> <p>(a) the financial condition and the general character of</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>applicant are sound;</p> <p>(b) the volume of business likely to be available to, and the capital structure and earning prospects of, the applicant will be adequate;</p> <p>(c) the interests of the general public will be served if the certificate of registration is granted to the applicant in respect of the class or classes of insurance business specified in the application; and</p> <p>(d) the applicant has complied with the provisions of sections 2C, 5 and 31A and has fulfilled all the requirements of this section applicable to him, the Authority may register the applicant as an insurer and grant him a certificate of registration.</p>	<p>management of the applicant are sound;</p> <p>(b) the volume of business likely to be available to, and the capital structure and earning prospects of, the applicant will be adequate;</p> <p>(c) the interests of the general public will be served if the certificate of registration is granted to the applicant in respect of the class or classes of insurance business specified in the application;</p> <p>(d) the applicant satisfies such criteria of eligibility for different classes and sub-classes of insurance business as may be specified by the Authority by regulations;</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>(5D) Where the registration of an insurance company is cancelled under sub-section (4), the Authority may, after the expiry of six months from the date on which the cancellation took effect, apply to the Court for an order to wind up the insurance</p>	<p>(e) the application is complete in all respects; and                      (f) the applicant has complied with the provisions of sections 2C, 3AA, 5, 6 and 31A, as may be applicable, the Authority may register the applicant as an insurer and grant him a certificate of registration for such classes or sub-classes of insurance business for which he is eligible and on such terms and conditions as the Authority may impose.</p> <p>(5D) Where the registration of an insurance company is cancelled under sub-section (4), the Authority may, after expiry of six months from the date on which the cancellation took effect, apply to the National Company Law Tribunal for an</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>company, or to wind up the affairs of the company in respect of a class of insurance business, unless the registration of the insurance company has been revived under sub-section (5C) or an application for winding up the company has been already presented to the Court. The Court may proceed as if an application under this sub-section were an application under sub-section (2) of section 53, or sub-section (1) of section 58, as the case may be.</p>	<p>order to wind up the insurance company, or to wind up the affairs of the company in respect of a class of insurance business, unless the registration of the insurance company has been revived under sub-section (5C) or an application for winding up the company has been already presented to the National Company Law Tribunal. The National Company Law Tribunal may proceed as if an application under this sub-section were an application under sub-section (2) of section 53, or sub-section (1) of Sec. 58, as the case may be.</p>		
New Provision	<p><b>3AA.</b> (1) A body corporate, whether incorporated or not, formed or registered outside India, either by itself or through its subsidiaries or nominees, at any time, shall not hold more</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
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	<p>than twenty-six per cent of the capital of an insurance co-operative society.</p> <p>(2) The aggregate holdings of equity shares by foreign investors including portfolio investors in an Indian insurance company shall not exceed seventy-four per cent. of the paid-up equity capital and the foreign investment shall be subject to such conditions and manner as may be prescribed.</p>		
New Provision	<b>3AB.</b> An insurer may also provide services related or incidental to insurance business and may also distribute other financial products as specified by and subject to regulations.		
<b>6. Requirement as to capital.</b> — (1) No insurer not being an insurer as defined in sub-clause (d) of clause (9) of section 2, carrying on the business of life	6.(1) No insurer shall commence or carry on any class or sub-class of insurance business unless it has such minimum paid up equity capital as may be specified		



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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>insurance, general insurance, health insurance or re-insurance in India or after the commencement of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999), shall be registered unless he has,</p> <p>—</p> <p>(i) a paid-up equity capital of rupees one hundred crore, in case of a person carrying on the business of life insurance or general insurance; or</p> <p>(ii) a paid-up equity capital of rupees one hundred crore, in case of a person carrying on exclusively the business of health insurance; or</p> <p>(iii) a paid-up equity capital of rupees two hundred crore, in case of a person carrying on exclusively the business as a re-insurer:</p>	<p>by regulations considering the size and scale of operations, class or sub-class of insurance business and the category or type of insurer.</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>Provided that the insurer, may enhance the paid-up equity capital, as provided in this section in accordance with the provisions of the Companies Act, 2013 (18 of 2013), the Securities and Exchange Board of India Act, 1992 (15 of 1992) and the rules, regulations or directions issued thereunder or any other law for the time being in force:</p> <p>Provided further that in determining the paid-up equity capital, any preliminary expenses incurred in the formation and registration of any insurer as may be specified by the regulations made under this Act, shall be excluded.</p> <p>(2) No insurer, as defined in sub-clause (d) of clause (9) of section 2, shall be registered unless he has net owned funds of</p>	<p>(2) No insurer, as referred to in clause (c) of sub-section (1) of section 2C, shall be registered unless he has net owned funds</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>not less than rupees <b>five thousand crore</b>.</p> <p><b>6A. Requirements as to capital structure and voting rights and maintenance of registers of beneficial owners of shares. —</b>                      (1) No public company limited by shares having its registered office in India, shall carry on <b>life insurance business or general insurance business or health insurance business or re-insurance business</b>, unless it satisfies the following conditions, namely: —                      (i) that the capital of the company shall consist of equity shares each having a single face value and such other form of capital, as may be specified by the regulations;</p>	<p>of not less than rupees <b>five hundred crore</b>.</p> <p>(1) No public company limited by shares having its registered office in India, shall carry on, <b>insurance business</b> unless it satisfies the following conditions, namely: —</p>		

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<p>(ii) that the voting rights of shareholders are restricted to equity shares;</p> <p>(iii) that, except during any period not exceeding one year allowed by the company for payment of calls on shares, the paid-up amount is the same for all shares, whether existing or new:</p> <p>Provided that the conditions specified in this sub-section shall not apply to a public company which has, before the commencement of the Insurance (Amendment) Act, 1950 (47 of 1950), issued any shares other than ordinary shares each of which has a single face value or any shares, the paid-up amount whereof is not the same for all of them for a period of three years from such commencement.</p>			

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		Suggested Amendment	Justification
<p>(4) A public company as aforesaid which carries on <b>life insurance business, general and health insurance business and re-insurance business—</b></p> <p>(b) shall not register any transfer of its shares—</p> <p>(i) unless, in addition to compliance being made with the provisions of section 56 of the Companies Act, 2013 (18 of 2013), the transferee furnishes a declaration in the prescribed form as to whether he proposes to hold the shares for his own benefit or as a nominee, whether jointly or severally, on behalf of others and in the latter case giving the name, occupation and address of the beneficial owner or owners, and the extent of the beneficial interest of each;</p>	<p>(4) A public company as aforesaid which carries on <b>insurance business—</b></p> <p>(b) shall not register any transfer of its shares—</p> <p>(i) unless, in addition to compliance being made with the provisions of section 56 of the Companies Act, 2013 (18 of 2013), the transferee furnishes a declaration in the prescribed form as to whether he proposes to hold the shares for his own benefit or as a nominee, whether jointly or severally, on behalf of others and in the latter case giving the name, occupation and address of the beneficial owner or owners, and the extent of the beneficial interest of each;</p>		

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<p>(ii) where, after the transfer, the total paid-up holding of the transferee in the shares of the company is likely to exceed five per cent. of its paid-up capital unless the previous approval of the Authority has been obtained to the transfer;</p> <p>(iii) where, the nominal value of the shares intended to be transferred by any individual, firm, group, constituents of a group, or body corporate under the same management, jointly or severally exceeds <b>one per cent.</b> of the paid-up equity capital of the insurer, unless the previous approval of the Authority has been obtained for the transfer.</p> <p><i>Explanation.</i>—For the purposes of this sub-clause, the expressions “group” and “same management” shall have the meanings respectively assigned to</p>	<p>(ii) where, after the transfer, the total paid-up holding of the transferee in the shares of the company is likely to exceed five per cent. of its paid-up capital unless the previous approval of the Authority has been obtained to the transfer;</p> <p>(iii) where, the nominal value of the shares intended to be transferred by any individual, firm, group, constituents of a group, or body corporate under the same management, jointly or severally exceeds <b>five per cent.</b> of the paid-up equity capital of the insurer, unless the previous approval of the Authority has been obtained for the transfer.</p> <p><i>Explanation.</i>—For the purposes of this sub-clause, the expressions “group” and “same management” shall have the meanings respectively assigned to</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
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<p>them in the Competition Act, 2002 (12 of 2003).]</p> <p>(5)Every person who has any interest in any share of a company referred to in sub-section (4) which stands in the name of another person in the register of members of the company, shall, within thirty days from the commencement of the Insurance (Amendment) Act, 1950, or from the date on which he acquires such interest, whichever is later, make a declaration in the prescribed form (which shall be countersigned by the person in whose name the shares is registered) to the company declaring his interest in such share, and notwithstanding anything contained in any other law or in any contract to the contrary, a person who fails to make a declaration as aforesaid in</p>	<p>to them in the Competition Act, 2002 (12 of 2003).</p>		

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<p>respect of any share shall be deemed to have no right or title whatsoever in that share:                      Provided that nothing in this sub-section shall affect the right of a person who has an interest in any such share to establish in a Court his right thereto, if the person, in whose name the share is registered, refuses to countersign the declaration as required by this sub-section:                      Provided further that where any share, belonging to an individual who has made any such declaration as is referred to in this sub-section is held by a company in its name in pursuance of any trust or for the purpose of safe custody or collection or realisation of dividend, such individual shall, notwithstanding anything contained in the Indian Companies Act, 1913 (7 of 1913)</p>			



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<p>or in the memorandum or articles of association of the company which has issued the share, be deemed to be the holder of the said share for the purpose of exercising any voting rights under this section to the exclusion of any other person.</p> <p>(11) The provisions of this section, shall, on and from, the commencement of the Insurance (Amendment) Act, 1968, also apply to insurers carrying on general insurance business subject to the following modifications, namely: —</p> <p>(i) that references in sub-sections (1), (3), (5) and (6) to the Insurance (Amendment) Act, 1950, shall be construed as references to the Insurance (Amendment) Act, 1968;</p> <p><i>Explanation</i> —For the purpose of this section, the holding of a</p>	<p>(11) The provisions of this section, shall, on and from, the commencement of the Insurance (Amendment) Act, 1968, also apply to insurers carrying on general insurance business subject to the following modifications, namely: —</p> <p>(i) that references in sub-sections (1) and (5) to the Insurance (Amendment) Act, 1950, shall be construed as references to the Insurance (Amendment) Act, 1968;</p>		

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<p>person in the shares of a company shall be deemed to include—</p> <p>(i) the total paid-up holding in such shares held by such person in the name of others; and</p> <p>(ii) if any shares of the company are held—</p> <p>(a) by a public limited company, of which such person is a member holding more than ten per cent of the paid-up capital, or</p> <p>(b) by a private limited company, of which such person is a member, or</p> <p>(c) by a company, of which such person is a managing director, manager, or in which he has a controlling interest, or</p> <p>(d) by a firm in which such person is a partner, or</p> <p>(e) by such person jointly with others,</p> <p>such part of the total paid-up holding of the company or firm</p>			

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or of the total joint holding in those shares, as is proportionate to the contribution made by such person to the paid-up capital of the company, the paid-up capital of the firm or the joint holding, as the case may be.			
<p><b>6B. Provision for securing compliance with requirements relating to capital structure.—</b></p> <p>(1) For the purpose of enabling any public company carrying on <b>life or general or health insurance or re-insurance business</b> to bring its capital structure into conformity with the requirements of section 6A, an officer appointed on this behalf by the Authority may, notwithstanding anything contained in the Indian Companies Act, 1913 (7 of 1913): —</p> <p>(a) examine any scheme proposed for the purpose</p>	<p>6B (1) For the purpose of enabling any public company carrying on <b>insurance business</b> to bring its capital structure into conformity with the requirements of section 6A, an officer appointed on this behalf by the Authority may, notwithstanding anything contained in the Indian Companies Act, 2013): —</p> <p>(a) examine any scheme proposed for the purpose</p>		

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<p>aforesaid by the directors of the company: Provided that—</p> <p>(i) the scheme has been placed before a meeting of the shareholders for their opinion and has been forwarded to the officer together with the opinion of the shareholders thereon, and</p> <p>(ii) the scheme does not involve any diminution of the liability of the shareholders in respect of unpaid-up share capital;</p> <p>(b) invite objections and suggestions in respect of the scheme so proposed; and</p> <p>(c) after considering such objections and suggestions to the scheme so proposed, sanction it with such modifications as he may consider necessary or desirable.</p> <p>(2) Any shareholder or other person aggrieved by the decision</p>	<p>aforesaid by the directors of the company: Provided that—</p> <p>(i) the scheme has been placed before a meeting of the shareholders for their opinion and has been forwarded to the officer together with the opinion of the shareholders thereon, and</p> <p>(ii) the scheme does not involve any diminution of the liability of the shareholders in respect of unpaid-up share capital;</p> <p>(b) invite objections and suggestions in respect of the scheme so proposed; and</p> <p>(c) after considering such objections and suggestions to the scheme so proposed, sanction it with such modifications as he may consider necessary or desirable.</p>		

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<p>of the officer sanctioning a scheme under sub-section (1) may, within ninety days of date of the order sanctioning the scheme, prefer an appeal to the Securities Appellate Tribunal within whose jurisdiction the registered office of the insurer is situate for the purpose of modifying or correcting any such scheme for the purpose specified in sub-section (1).</p> <p>(3) The decision of the Securities Appellate Tribunal where an appeal has been preferred to it under sub-section (2), or of the officer aforesaid where no such appeal has been preferred, shall be final and binding on all the shareholders and other persons concerned.</p>			
<p><b>10. Separation of accounts and funds.</b> — (1) Where the insurer carries on business of more than</p>	<p>10(1) Where the insurer carries on business of more than one</p>		

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<p>one of the following classes, namely, life insurance, fire insurance, marine insurance or miscellaneous insurance, he shall keep a separate account of all receipts and payments in respect of each such class of insurance business and where the insurer carries on business of miscellaneous insurance whether alone or in conjunction with business of another class, he shall, unless the Authority waives this requirement in writing, keep a separate account of all receipts and payments in respect of each of such sub-classes of miscellaneous insurance business as may be specified by the regulations:</p> <p>Provided that no sub-class of miscellaneous insurance business shall be prescribed under this sub-section if the insurance</p>	<p>class or sub-class of insurance business, he shall keep a separate account of all receipts and payments in respect of each such class or sub-class, as may be specified by the regulations:</p>		

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<p>business comprised in the sub-class consist of insurance contracts which are terminable by the insurer at intervals not exceeding twelve months and under which, if a claim arises, the insurer's liability to pay benefit ceases within one year of the date on which the claim arose.</p> <p>(2)Where the insurer carries on the business of life insurance all receipts due in respect of such business, shall be carried to and shall form a separate fund to be called the life insurance fund the assets of which shall, be kept distinct and separate from all other assets of the insurer and the deposit made by the insurer in respect of life insurance business shall be deemed to be part of the assets of such fund; and every insurer shall, within the time limited in sub-section (1) of</p>	<p>(2) Where the insurer carries on the business of life insurance all receipts due in respect of such business, shall be carried to and shall form a separate fund to be called the life insurance fund the assets of which shall, be kept distinct and separate from all other assets of the insurer and the deposit made by the insurer in respect of life insurance business shall be deemed to be part of the assets of such fund; and every insurer shall, within the time limited in sub-section (1) of section 15 in regard to the</p>		

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<p>section 15 in regard to the furnishing of the statements and accounts referred to in section 11, furnish to <b>the Controller</b> a statement showing in detail such assets as at the close of every calendar year duly certified by an auditor or by a person qualified to audit :</p> <p>Provided that such statement shall, in the case of an insurer to whom section 11 applies, be set out asa part of the balance-sheet mentioned in clause (a) of sub-section (I) of that section:</p> <p>Provided further that an insurer may show in such statement all the assets held in his life department, but at the same time showing any deductions on account of general reserves and other liabilities of that department:</p>	<p>furnishing of the statements and accounts referred to in section 11, furnish to <b>the Authority</b> a statement showing in detail such assets as at the close of every calendar year duly certified by an auditor or by a person qualified to audit:</p> <p>Provided that such statement shall, in the case of an insurer to whom section 11 applies, be set out as a part of the balance-sheet mentioned in clause (a) of sub-section (I) of that section:</p> <p>Provided further that an insurer may show in such statement all the assets held in his life department, but at the same time showing any deductions on account of general reserves and other liabilities of that department:</p> <p>Provided also that the Authority may call for a statement similarly</p>		



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<p>Provided also that the Authority may call for a statement similarly certified of such assets as at any other date specified by him to be furnished within a period of three months from the date with referenceto which the statement is called for.</p> <p>(2A) No insurer carrying on life insurance business shall be entitled to be registered for any class of insurance business in addition to the class or classes for which he has been already registered unless the Authority is satisfied that the assets of the life insurance fund of the insurer are adequate to meetall his liabilities on policies of life insurance maturing for payment.</p> <p>(2AA) Where the insurer carries on the business of insurance, all receipts due in respect of each sub-class of such insurance</p>	<p>certified of such assets as at any other date specified by him to be furnished within a period of three months from the date with reference to which the statement is called for.</p>		

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business shall be carried to and shall form a separate fund, the assets of which shall be kept separate and distinct from other assets of the insurer and every insurer shall submit to the Authority the necessary details of such funds as may be required by the Authority from time to time and such funds shall not be applied directly or indirectly, save as expressly permitted under this Act or regulations made thereunder.			
<b>11. Accounts and balance-sheet.</b> — (1) Every insurer, on or after the date of the commencement of the Insurance Laws (Amendment) Act, 2015 (5 of 2015), in respect of insurance business transacted by him and in respect of his shareholders' funds, shall, at the expiration of each financial year, prepare with	11.(1) Every insurer, on or after the date of the commencement of the Insurance Laws (Amendment) Act, 2015 (5 of 2015), in respect of insurance business transacted by him and in respect of his shareholders' funds, shall, at the expiration of each financial year, prepare with reference to that year, balance		

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reference to that year, balance sheet, a profit and loss account, a separate account of receipts and payments, a revenue account in accordance with the regulations as may be specified.	sheet, a profit and loss account, a separate account of receipts and payments, a revenue account <b>and other financial statements</b> in accordance with the regulations as may be specified.		
12A. New Provision	<b>12A. Appointment of Actuary by insurer.</b> — (1) The Authority shall, by regulations, specify the qualifications and experience necessary for appointment of an actuary by an insurer for the purposes of this Act.  (2) The Authority may, by regulations, specify the duties and powers of the actuary so appointed by the insurer.		
13. <b>Actuarial report and abstract.</b> — (1) Every insurer <b>carrying on life insurance business</b> shall, once at least every year cause an investigation to be	13. <b>Actuarial report.</b> — (1) <b>Every insurer shall</b> , at least once every financial year cause an investigation to be made by an actuary into the financial		

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<p>made by an actuary into the financial condition of the life insurance business carried on by him, including a valuation of his liabilities in respect thereto and shall cause <b>an abstract of the report of such actuary</b> to be made in accordance with the regulations: Provided that the Authority may, having regard to the circumstances of any particular insurer, allow him to have the investigation made as at a date not later than two years from the date as at which the previous investigation was made: <b>Provided further that every insurer, on or after the commencement of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999), shall cause an abstract of the report of the actuary to be made</b></p>	<p>condition of the business carried on by it, including a valuation of its liabilities in respect thereto and shall cause <b>a report of such actuary</b> to be made, as may be specified by the regulations: Provided that the Authority may, having regard to the circumstances of any particular insurer, allow him to have the investigation made as at a date not later than two years from the date as at which the previous investigation was made.</p>		

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in such manner as may be specified by the regulations.			
(2) The provisions of sub-section (1) regarding the making of an abstract shall apply whenever at any other time an investigation into the financial condition of the insurer is made with a view to the distribution of profits or an investigation is made of which the results are made public.	(2) The provisions of sub-section (1) regarding the making of a report shall apply whenever at any other time an investigation into the financial condition of the insurer is made with a view to the distribution of profits or an investigation is made for any such purpose as the Authority may decide.		
(3) There shall be appended to every such abstract as is referred to in sub-section (1) or sub-section (2) a certificate signed by the principal officer of the insurer that full and accurate particulars of every policy under which there is a liability either actual or contingent have been furnished to the actuary for the purpose of the investigation.	(3) There shall be appended to every such report as is referred to in sub-section (1) or sub-section (2) a certificate signed by the principal officer of the insurer that full and accurate particulars of every policy under which there is a liability either actual or contingent have been furnished to the actuary for the purpose of the investigation.		

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(4) There shall be appended to every such abstract a statement prepared in such form and in such manner as may be specified by the regulations: Provided that, if the investigation referred to in sub-sections (1) and (2) is made annually by any insurer, the statement need not be appended every year but shall be appended at least once in every three years.	(4) There shall be appended to every such <b>report</b> a statement prepared in such form and in such manner as may be specified by the regulations: Provided that, if the investigation referred to in sub-sections (1) and (2) is made annually by any insurer, the statement need not be appended every year but shall be appended at least once in every three years.		
(6) The provisions of this section relating to the life insurance business shall apply also to any such sub-class of insurance business included in the class “Miscellaneous Insurance” and the Authority may authorise such modifications and variations of regulations as may be necessary to facilitate their application to any such sub-class of insurance business:	Sub-section(6) is omitted		

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<p>Provided that, if the Authority is satisfied that the number and amount of the transactions carried out by an insurer in any such sub-class of insurance business is so small as to render periodic investigation and valuation unnecessary, it may exempt that insurer from the operation of this sub-section in respect of that sub-class of insurance business.</p>			
<p><b>15. Submission of returns.—</b>                      (1) The audited accounts and statements referred to in section 11 or subsection (5) of section 13 and the abstract and statement referred to in section 13 shall be printed, and four copies thereof shall be furnished as returns to the Authority within six months from the end of the period to which they refer.</p>	<p>The audited accounts and statements referred to in section 11 or sub-section (5) of section 13 and the statement referred to in section 13 may be furnished to the Authority in electronic form, or in such other manner and period as specified by the Authority.</p>		

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		Suggested Amendment	Justification
(2) Of the four copies so furnished, shall be signed in the case of a company by the chairman and two directors and by the principle officers of the company and, if the company has a managing director by that managing director and one shall be signed by the auditor who made the audit or the actuary who made the valuation, as the case may be.			
<b>21 Powers of Authority regarding returns.</b> — (1) If it appears to the Authority that any return furnished to him under the provisions of this Act is inaccurate or defective in any respect, he may— (d) decline to accept any such return unless the inaccuracy has been corrected or the deficiency has been supplied before the expiry of one month from the	(d) decline to accept any such return unless the inaccuracy has been corrected or the deficiency has been supplied before the expiry of one month from the		



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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
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<p>date on which the requisition asking for correction of (he inaccuracy or supply of the deficiency was delivered to the insurer or of such further time as the Authority may specify in the requisition and if him declines to accept any such return, the insurer shall be deemed to have failed to comply with the provisions of section 15 or section 28 or section 28A or section 28B or section 64V relating to the furnishing of returns.</p>	<p>date on which the requisition asking for correction of (he inaccuracy or supply of the deficiency was delivered to the insurer or of such further time as the Authority may specify in the requisition and if him declines to accept any such return, the insurer shall be deemed to have failed to comply with the provisions of section 15 or section 28 or section 64V relating to the furnishing of returns.</p>		
<p><b>27. Investment of assets. —</b>                      (1) Every insurer shall invest and at all times keep invested assets equivalent to not less than the sum of—                      (a) the amount of his liabilities to holders of life insurance policies in India on account of matured claims, and</p>	<p>(1) Every insurer, in order to meet its liabilities, shall earmark, invest and at all times keep earmarked and invested assets of value not less than that of the liabilities.</p>		

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<p>(b) the amount required to meet the liability on policies of life insurance maturing for payment in India, less—</p> <p>(i) the amount of premiums which have fallen due to the insurer on such policies but have not been paid and the days of grace for payment of which have not expired, and</p> <p><b>(ii)</b> any amount due to the insurer for loans granted on and within the surrender values of policies of life insurance maturing for payment in India issued by him or by an insurer whose business he has acquired and in respect of which he has assumed liability in the following manner, namely: —</p> <p>(a) twenty-five per cent. of the said sum in Government securities, a further sum equal to not less than twenty-five per cent.</p>	<p>(2) An insurer may invest not more than five per cent. of the earmarked assets referred to in sub-section (1), by value, in a company or other body corporate which is owned or controlled by the promoters, subject to such conditions as the Authority may specify by regulations.</p> <p>(3) Investment of the whole or any part of the assets of the insurer shall be subject to—</p> <p>(a) the condition that the earmarked assets referred to in sub-section (1) shall be held free of any encumbrance, charge, hypothecation or lien; and</p> <p>(b) such time, manner, limitations, restrictions and other conditions as the</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
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<p>of the said sum in Government securities or other approved securities; and</p> <p>(b) the balance in any of the approved investments, as may be specified by the regulations subject to the limitations, conditions and restrictions specified therein.</p> <p>(2) In the case of an insurer carrying on general insurance business, twenty per cent. of the assets in Government Securities, a further sum equal to not less than ten per cent. of the assets in Government Securities or other approved securities and the balance in any other investment in accordance with the regulations of the Authority and subject to such limitations, conditions and restrictions as may be specified by the Authority in this regard.</p>	<p>Authority may specify by regulations.</p> <p>(4) Nothing contained in this section shall be deemed to affect in any way the manner in which any moneys relating to the provident fund of any employee or to any security taken from any employee or other moneys of a like nature are required to be held by or under any Central Act, or Act of a State legislature.</p> <p>Explanation.—In this section, the expression—</p> <p>(i) “liabilities” means the net liabilities of the insurer to the holders of policies;</p> <p>(ii) “owned” in relation to a company means the holding of more than fifty per cent. of its paid-up share capital by the promoters, and includes a</p>		

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		Suggested Amendment	Justification
<p>Explanation. —In this section, the term “assets” means all the assets of insurer at their carrying value but does not include any assets specifically held against any fund or portion thereof in respect of which the Authority is satisfied that such fund or portion thereof, as the case may be, is regulated by the law of any country outside India or miscellaneous expenditure or in respect of which the Authority is satisfied that it would not be in the interest of the insurer to apply the provisions of this section.</p> <p>(3) For the purposes of sub-sections (1) and (2), any specified assets shall, subject to such conditions, if any, as may be specified, be deemed to be assets invested or kept invested in approved investments specified by regulations.</p>	<p>subsidiary company of such a company;</p> <p>(iii) “controlled” in relation to a company or other body corporate means the right to appoint majority of its directors or to control its management or policy decisions exercisable by the promoters acting individually or in concert, directly or indirectly, including by virtue of shareholding or management rights or shareholders agreements or voting agreements;</p> <p>(iv) “promoter” means a person—</p> <p>(a) who has been named as such in a prospectus inviting offers from the public for the subscription or purchase of any securities of an insurer, or is identified as such by the insurer in its annual returns filed with</p>		

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		Suggested Amendment	Justification
<p>(4) In computing the assets referred to in sub-sections (1) and (2), any investment made with reference to any currency other than the Indian rupee which is in excess of the amount required to meet the liabilities of the insurers in India with reference to that currency, to the extent of such excess, shall not be taken into account:                      Provided that nothing contained in this sub-section shall affect the operation of sub-section (2):                      Provided further that the Authority may, either generally or in any particular case, direct that any investment shall, subject to such conditions as may be imposed, be taken into account, in such manner as may be specified in computing the assets referred to in sub-sections (1) and</p>	<p>the person having the duty of registering companies; or                      (b) who has control over the affairs of the insurer, directly or indirectly whether as a shareholder, director or otherwise; or                      (c) in accordance with whose advice, directions or instructions the board of directors of the insurer is accustomed to act:                      Provided that nothing in sub-clause (c) shall apply to a person who is acting merely in a professional capacity.</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>(2) and where any direction has been issued under this proviso, copies thereof shall be laid before each house of Parliament as soon as may be after it is issued.</p> <p>(5) Where an insurer has accepted re-insurance in respect of any policies of life insurance issued by another insurer and maturing for payment in India or has ceded re-insurance to another insurer in respect of any such policies issued by himself, the sum referred to in sub-section (1) shall be increased by the amount of the liability involved in such acceptance and decreased by the amount of the liability involved in such cession.</p> <p>(6) The Government securities and other approved securities in which assets are under sub-section (1) or sub-section (2) to be invested and kept invested shall be held by the insurer free of</p>			

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
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<p>any encumbrance, charge, hypothecation or lien.</p> <p>(7) The assets required by this section to be held invested by an insurer incorporated or domiciled outside India shall, except to the extent of any part thereof which consists of foreign assets held outside India, be held in India and all such assets shall be held in trust for the discharge of the liabilities of the nature referred to in sub-section (1) and shall be vested in trustees resident in India and approved by the Authority, and the instrument of trust under this sub-section shall be executed by the insurer with the approval of the Authority and shall define the manner in which alone the subject-matter of the trust shall be dealt with.</p>			
<p><b>27A. Further provisions regarding investments.—(1)</b></p>	<p>Section 27A is omitted</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>No insurer carrying on life insurance business shall invest or keep invested any part of his controlled fund and no insurer carrying on general business shall invest or keep invested any part of his assets otherwise than in any of the approved investments as may be specified by the regulations subject to such limitations, conditions and restrictions therein.</p> <p>(2) Notwithstanding anything contained in sub-section (1) or sub-section (2) of section 27, an insurer may, subject to the provisions contained in the next succeeding sub-sections, invest or keep invested any part of his controlled fund or assets otherwise than in an approved investment, if—</p> <p>(i) after such investment, the total amounts of all such investments</p>			



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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>of the insurer do not exceed fifteen per cent. of the sum referred to in sub-section (1) of section 27 or fifteen per cent. of the assets referred to in sub-section (2) as the case may be;</p> <p>(ii) the investment is made, or, in the case of any investment already made, the continuance of such investment is with the consent of all the directors present at a meeting and eligible to vote, special notice of which has been given to all the directors then in India, and all such investments, including investments in which any director is interested, are reported without delay to the Authority with full details of the investments and the extent of the director's interest in any such investment.</p>			

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>(3) An insurer shall not out of his controlled fund or assets as referred to in section 27, —</p> <p>(a) invest in the shares of any one banking company; or</p> <p>(b) invest in the shares or debentures of any one company, more than the percentage specified by the regulations.</p> <p>(4) An insurer shall not out of his controlled fund or assets as referred to in sub-section (2) of section 27 invest or keep invested in the shares or debentures of any private limited company.</p> <p>(5) All assets forming the controlled fund or assets as referred to in sub-section (2) of section 27, not being Government securities or other approved securities in which assets are to be invested or held invested in accordance with this section, shall (except for a part</p>			

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>thereof not exceeding one-tenth of the controlled fund or assets as referred to in sub-section (2) thereof in value which may, subject to such conditions and restrictions as may be prescribed, be offered as security for any loan taken for purposes of any investment), be held free of any encumbrance, charge, hypothecation or lien.</p> <p>(6) If at any time the Authority considers any one or more of the investments of an insurer to be unsuitable or undesirable, the Authority may, after giving the insurer an opportunity of being heard, direct him to realise the investment or investments, and the insurer shall comply with the direction within such time as may be specified in this behalf by the Authority.</p>			

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>(7) Nothing contained in this section shall be deemed to affect in any way the manner in which any moneys relating to the provident fund of any employee or to any security taken from any employee or other moneys of a like nature are required to be held by or under any Central Act, or Act of a State legislature.</p> <p>Explanation. —In this section “controlled fund” means—</p> <p>(a) in the case of any insurer carrying on life insurance business—</p> <p>(i) all his funds, if he carries on no other class of insurance business;</p> <p>(ii) all the funds in India appertaining to his life insurance business if he carries on some other class of insurance business also.</p> <p>Explanation.—For the purposes of sub-clauses (i) and (ii), the fund</p>			

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
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<p>does not include any fund or portion thereof in respect of which the Authority is satisfied that such fund or portion, as the case may be, is regulated by the law in force of any country outside India or it would not be in the interest of the insurer to apply the provisions of this section;</p> <p>(b) in the case of any other insurer carrying on life insurance business—</p> <p>(i) all his funds in India, if he carries on no other class of insurance business;</p> <p>(ii) all the funds in India appertaining to his life insurance business if he carries on some other class of insurance business also; but does not include any fund or portion thereof in respect of which the Authority is satisfied that such fund or portion thereof,</p>			

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
as the case may be, is regulated by the law of any country outside India or in respect of which the Authority is satisfied that it would not be in the interest of the insurer to apply the provisions of this section.			
<b>27B. Provisions regarding investments of assets of insurer carrying general insurance business.—</b> (1) All assets of an insurer carrying on general insurance business shall, subject to such conditions, if any, as may be prescribed, be deemed to be assets invested or kept invested in approved investments specified in section 27. (2) All assets shall (except for a part thereof not exceeding one-tenth of the total assets in value which may subject to such conditions and restrictions as may be prescribed, be offered as	Section 27B is omitted		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>security for any loan taken for purposes of any investment or for payment of claims, or which may be kept as security deposit with the banks for acceptance of policies) be held free of any encumbrance, charge, hypothecation or lien.</p> <p>(3) Without prejudice to the powers conferred on the Authority by sub-section (5) of section 27A nothing contained in this section shall be deemed to require any insurer to realise any investment made in conformity with the provisions of sub-section (1) of section 27 after the commencement of the Insurance (Amendment) Act, 1968 (62 of 1968), which, after the making thereof, has ceased to be an approved investment within the meaning of this section.</p>			

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p><b>27C. Investment by insurer in certain cases.</b> —An insurer may invest not more than five per cent. in aggregate of his controlled fund or assets as referred to in sub-section (2) of section 27 in the companies belonging to the promoters, subject to such conditions as may be specified by the regulations.</p>	<p>Section 27C is omitted</p>		
<p><b>27D. Manner and condition of investment.</b> —(1) Without prejudice to anything contained in this section, the Authority may, in the interests of the policyholders, specify by the regulations, the time, manner and other conditions of investment of assets to be held by an insurer for the purposes of this Act. (2) The Authority may give specific directions for the time, manner and other conditions subject to which the funds of</p>	<p>Section 27D is omitted</p>		



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		Suggested Amendment	Justification
<p>policyholders shall be invested in the infrastructure and social sector as may be specified by the regulations and such regulations shall apply uniformly to all the insurers carrying on the business of life insurance, general insurance, or health insurance or re-insurance in India on or after the commencement of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999).</p> <p>(3) The Authority may, after taking into account the nature of business and to protect the interests of the policyholders, issue to an insurer the directions relating to the time, manner and other conditions of investment of assets to be held by him:</p> <p>Provided that no direction under this sub-section shall be issued unless the insurer concerned has</p>			

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
been given a reasonable opportunity of being heard.			
<p><b>30. Liability of directors, etc., for loss due to contravention of section 27, 27A, 27B, 27C, 27D or section 29.—</b></p> <p>If by reason of a contravention of any of the provisions of section 27, 27A, 27B, 27C, 27D or section 29, any loss is sustained by the insurer or by the policyholders, every director, manager or officer who is knowingly a party to such contravention shall, without prejudice to any other penalty to which he may be liable under this Act, be jointly and severally liable to make good the amount of such loss.</p>	<p><b>30. Liability of directors, etc., for loss due to contravention of section 27, or section 29.—</b></p> <p>If by reason of a contravention of any of the provisions of section 27 or section 29, any loss is sustained by the insurer or by the policyholders, every director, manager or officer who is knowingly a party to such contravention shall, without prejudice to any other penalty to which he may be liable under this Act, be jointly and severally liable to make good the amount of such loss.</p>		
<p><b>31. Assets of insurer how to be kept. —</b></p> <p>(1) None of the assets in India of any insurer shall, except in so far</p>	The said section is omitted		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>as assets are required to be vested in trustees under sub-section of section 27, be kept otherwise than in the name of a public officer approved by the Authority, or in the corporate name of the undertaking, if a company or an insurance co-operative society, as the case maybe.</p> <p>(2) Nothing contained in this section shall be deemed to prohibit the endorsement in favour of a banking company of any security or other document solely for the purpose of collection or for realisation of interest, bonus or dividend.</p>			
<p><b>31A. Provisions relating to managers, etc.—</b> Notwithstanding anything to the contrary contained in the Companies Act, 2013 (18 of 2013), or in the articles of association of the insurer, if a</p>	<p>Notwithstanding anything to the contrary contained in the Companies Act, 2013 (18 of 2013), or in the articles of association of the insurer, if a company, or in any contract or</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>company, or in any contract or agreement, no insurer shall after expiry of one year from the commencement of the Insurance (Amendment) Act, 1950 ( 47 of 1950 ), —</p> <p>(a) be directed or managed by, or employ as manager or officer,</p> <p>(b) be directed or managed by, or employ as manager or officer or in any capacity, any person whose remuneration or any part thereof takes the form of commission or bonus or a share in the valuation surplus in respect of the life insurance business of the insurer, or</p> <p>(c) be directed or managed by, or employ as manager or officer or in any capacity, any person whose remuneration or any part thereof takes the form of commission or bonus in respect of the general insurance business of the insurer:</p>	<p>agreement, <b>no insurer other than an insurer carrying out exclusively the class of re-insurance business</b>, shall after expiry of one year from the commencement of the Insurance (Amendment) Act, 1950 ( 47 of 1950 ), be directed or managed by, or employ as manager or officer or in any capacity, any person whose remuneration or any part thereof <b>takes the form of commission or bonus or a share in the valuation surplus:</b></p>		

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		Suggested Amendment	Justification
<p>Provided that nothing in this sub-section shall be deemed to prohibit —</p> <p>(i) the payment of commission to an insurance agent, in respect of insurance business procured by or through him;</p>	<p>Provided that nothing in this sub-section shall be deemed to prohibit —</p> <p>(i) the payment of commission to an insurance agent, in respect of insurance business procured by or through him;</p> <p>(ii) the employment of any individual in a clerical or other subordinate capacity who, as an insurance agent, receives commission in respect of insurance business procured by him;</p> <p>(iii) the employment as an officer of any individual who receives renewal commission in respect of life insurance business procured by him in his capacity as an insurance agent or as an employer of agents before such employment, or before the commencement of the Insurance (Amendment) Act,</p>		

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		Suggested Amendment	Justification
<p>(iv) the employment of any individual in a clerical or other subordinate capacity who, as an insurance agent, receives commission in respect of insurance business procured by him;</p> <p>(v) the employment as an officer of any individual who receives renewal commission in respect of life insurance business procured by him in his capacity as an insurance agent or as an employer of agents before such employment, or before the commencement of the Insurance (Amendment) Act, 1950 (47 of 1950), whichever is later;</p> <p>(vi) the payment of a share in the profits of general insurance business;</p>	<p>1950 (47 of 1950), whichever is later;</p> <p>(iv) the payment of a share in the profits of general insurance business;</p> <p>(v) the payment of bonus in any year on a uniform basis to all salaried employees or any class of them by way of additional remuneration.</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
(vii) the payment of bonus in any year on a uniform basis to all salaried employees or any class of them by way of additional remuneration			
<b>31B. Power to restrict payment of excessive remuneration. --</b> No insurer shall in respect of insurance business transacted by him, shall pay to any person by way of remuneration, whether by way of commission or otherwise in excess of such sum as may be specified by the regulations.	The Authority shall have the power to specify by regulations, the remuneration, whether by way of commission or otherwise, that an insurer may pay to any person in respect of insurance business transacted by him.		
<b>32A. Prohibition of common officers and requirement as to whole-time officers –</b> (1) A managing director or other officer of an insurer carrying on life insurance business shall not be a managing director or other officer of any other insurer carrying on life insurance business or of a banking company	<b>32A. Prohibition of common officers and requirement as to whole-time officers –</b> (1) A managing director or other officer of an insurer carrying on insurance business shall not be a managing director or other officer of any other insurer carrying on insurance business or of a banking company or of		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>or of an investment company:                      Provided that the Authority may permit such managing director or other officer to be a managing director or other officer of any other insurer carrying on life insurance business for the purpose of amalgamating the business of the two insurers or transferring the business of one insurer to the other.</p>	<p>an investment company:                      Provided that the Authority may permit such managing director or other officer to be a managing director or other officer of any other insurer carrying on insurance business for the purpose of amalgamating the business of the two insurers or transferring the business of one insurer to the other.</p>		
<p><b>32D. Obligation of insurer in respect of insurance business in third party risks of motor vehicles-</b>                      Every insurer carrying on general insurance business shall, after the commencement of the Insurance Laws (Amendment) Act, 2015 (5 of 2015), underwrite such minimum percentage of insurance business in third party risks of motor vehicles as may be specified by the regulations:</p>	<p>Every insurer carrying on <b>motor insurance business</b> shall, after the commencement of the Insurance Laws (Amendment) Act, 2015 (5 of 2015), underwrite such minimum percentage of the motor insurance business in third party</p>		



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		Suggested Amendment	Justification
Provided that the Authority may, by regulations, exempt any insurer who is primarily engaged in the business of health, re-insurance, agriculture, export credit guarantee, from the application of this section.	risks of motor vehicles as may be specified by the regulations.		
<b>33. Power of investigation and inspection by Authority. —</b> (1) The Authority may, at any time, if it considers expedient to do so by order in writing, direct any person (herein referred to as “Investigating Officer”) specified in the order to investigate the affairs of any insurer or intermediary or insurance intermediary, as the case may be, and to report to the Authority on any investigation made by such Investigating Officer: Provided that the Investigating Officer may, wherever necessary, employ any auditor or actuary or both for	<b>33. Power of investigation and inspection by Authority. —</b> (1) The Authority may, at any time, if it considers expedient to do so by order in writing, direct any person (herein referred to as “Investigating Officer”) specified in the order to investigate the affairs of any insurer or intermediary or insurance intermediary, as the case may be, and to report to the Authority on any investigation made by such Investigating Officer: Provided that the Investigating Officer may, wherever necessary, employ any		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>the purpose of assisting him in any investigation under this section.</p> <p>(2) Notwithstanding anything to the contrary contained in section 210 of the Companies Act, 2013 (18 of 2013), the Investigating Officer may, at any time, and shall, on being directed so to do by the Authority, cause an inspection to be made by one or more of his officers of the books of account of any insurer or intermediary or insurance intermediary, as the case may be, and the Investigating Officer shall supply to the insurer or intermediary or insurance intermediary, as the case may be, a copy of the report on such inspection.</p> <p>(3) It shall be the duty of every manager, managing director or</p>	<p>auditor or actuary or both for the purpose of assisting him in any investigation under this section.</p> <p>(2) Notwithstanding anything to the contrary contained in section 210 of the Companies Act, 2013 (18 of 2013), the Investigating Officer may, at any time, and shall, on being directed so to do by the Authority, cause an inspection to be made by one or more of his officers of the books of account of any insurer or intermediary or insurance intermediary, as the case may be, and the Investigating Officer shall supply to the insurer or intermediary or insurance intermediary, as the case may be, a copy of the report on such inspection.</p>		

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<p>other officer of the insurer including a service provider, contractor of an insurer where services are outsourced by the insurer, or intermediary or insurance intermediary, as the case may be, to produce before the Investigating Officer directed to make the investigation under sub-section (1), or inspection under sub-section (2), all such books of account, registers, other documents and the database in his custody or power and to furnish him with any statement and information relating to the affairs of the insurer or intermediary or insurance intermediary, as the case may be, as the Investigating Officer may require of him within such time as the said Investigating Officer may specify.</p>	<p>(3) It shall be the duty of every manager, managing director or other officer of the insurer including a service provider, contractor of an insurer where services are outsourced by the insurer, or intermediary or insurance intermediary, as the case may be, to produce before the Investigating Officer directed to make the investigation under sub-section (1), or inspection under sub-section (2), all such books of account, registers, other documents and the database in his custody or power and to furnish him with any statement and information relating to the affairs of the insurer or intermediary or insurance intermediary, as the case may be, as the Investigating Officer may require of him within such time</p>		

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<p>(4) Any Investigating Officer, directed to make an investigation under subsection (1), or inspection under sub-section (2), may examine on oath, any manager, managing director or other officer of the insurer including a service provider or contractor where the services are outsourced by the insurer or intermediary or insurance intermediary, as the case may be, in relation to his business.</p> <p>(5) The Investigating Officer shall, if he has been directed by the Authority to cause an inspection to be made, make a report to the Authority on such inspection.</p> <p>(6) On receipt of any report under sub-section (1) or sub-section (5), the Authority may, after giving</p>	<p>as the said Investigating Officer may specify.</p> <p>(4) Any Investigating Officer, directed to make an investigation under subsection (1), or inspection under sub-section (2), may examine on oath, any manager, managing director or other officer of the insurer including a service provider or contractor where the services are outsourced by the insurer or intermediary or insurance intermediary, as the case may be, in relation to his business.</p> <p>(5) The Investigating Officer shall, if he has been directed by the Authority to cause an inspection to be made, make a report to the Authority on such inspection.</p> <p>(6) On receipt of any report under sub-section (1) or sub-</p>		

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<p>such opportunity to the insurer or intermediary or insurance intermediary, as the case may be, to make a representation in connection with the report as, in the opinion of the Authority, seems reasonable, by order in writing, —</p> <p>(a) require the insurer, to take such action in respect of any matter arising out of the report as the Authority may think fit; or</p> <p>(b) cancel the registration of the insurer or intermediary or insurance intermediary, as the case may be; or</p> <p>(c) direct any person to apply to the court for the winding up of the insurer or intermediary or insurance intermediary, as the case may be, if it is a company, whether the registration of the</p>	<p>section (5), the Authority may, after giving such opportunity to the insurer or intermediary or insurance intermediary, as the case may be, to make a representation in connection with the report as, in the opinion of the Authority, seems reasonable, by order in writing, —</p> <p>(a) require the insurer <b>or insurance intermediary</b>, to take such action in respect of any matter arising out of the report as the Authority may think fit; or</p> <p>(b) cancel the registration of the insurer or intermediary or insurance intermediary, as the case may be; or</p> <p>(c) direct any person to apply to the court for the winding up of the insurer or intermediary or insurance intermediary, as the case may be, if it is a company,</p>		

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<p>insurer or intermediary or insurance intermediary, as the case may be, has been cancelled under clause (b) or not.</p> <p>(7) The Authority may by the regulations made by it specify the minimum information to be maintained by insurers or intermediary or insurance intermediary, as the case may be, in their books, the manner in which such information shall be maintained, the checks and other verifications to be adopted by insurers or intermediary or insurance intermediary, as the case may be, in that connection and all other matters incidental thereto as are, in its opinion, necessary to enable the Investigating Officer to discharge satisfactorily his functions under this section.</p>	<p>whether the registration of the insurer or intermediary or insurance intermediary, as the case may be, has been cancelled under clause (b) or not.</p> <p>(7) The Authority may by the regulations made by it specify the minimum information to be maintained by insurers or intermediary or insurance intermediary, as the case may be, in their books, the manner in which such information shall be maintained, the checks and other verifications to be adopted by insurers or intermediary or insurance intermediary, as the case may be, in that connection and all other matters incidental thereto as are, in its opinion, necessary to enable the Investigating Officer to discharge satisfactorily his functions under this section.</p>		

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<p>Explanation.— For the purposes of this section, the expression “insurer” shall include in the case of an insurer incorporated in India— (a) all its subsidiaries formed for the purpose of carrying on the business of insurance exclusively outside India; and (b) all its branches whether situated in India or outside India.</p> <p>(8) Any insurer or intermediary or insurance intermediary aggrieved by any order made under this section may prefer an appeal to the Securities Appellate Tribunal.</p> <p>(9) All expenses of, and incidental to, any investigation made under this section shall be defrayed by the insurer or intermediary or insurance intermediary, as the case may be, shall have priority</p>	<p>Explanation.— For the purposes of this section, the expression “insurer” shall include in the case of an insurer incorporated in India— (a) all its subsidiaries formed for the purpose of carrying on the business of insurance exclusively outside India; and (b) all its branches whether situated in India or outside India.</p> <p>(8) Any insurer or intermediary or insurance intermediary aggrieved by any order made under this section may prefer an appeal to the Securities Appellate Tribunal.</p> <p>(9) All expenses of, and incidental to, any investigation made under this section shall be defrayed by the insurer or intermediary or insurance intermediary, as the case may be,</p>		

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over the debts due from the insurer and shall be recoverable as an arrear of land revenue.	shall have priority over the debts due from the insurer and shall be recoverable as an arrear of land revenue.		
<b>33A. Power to appoint staff. —</b> The Authority may appoint such staff, and at such places at it <b>or he</b> may consider necessary, for the scrutiny of the returns, statements and information furnished by insurers under this Act and generally to ensure the efficient performance of the functions of the Authority under this Act.	The Authority may appoint such staff, and at such places as it may consider necessary, for the scrutiny of the returns, statements and information furnished by insurers <b>or insurance intermediaries</b> under this Act and generally to ensure the efficient performance of the functions of the Authority under this Act.		
<b>34. Power of the Authority to issue directions. —</b> (1) Where the Authority is satisfied that— (a) in the public interest; or (b) to prevent the affairs of any insurer being conducted in a manner detrimental to the	(1) Where the Authority is satisfied that,— (a) in the public interest; or (b) to prevent the affairs of an insurer <b>or insurance intermediary</b> being conducted in		



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<p>interests of the policy-holders or in a manner prejudicial to the interests of the insurer; or</p> <p>(c) generally to secure the proper management of any insurer, it is necessary to issue directions to insurers generally or to any insurer in particular, he may, from time to time, issue such directions as he deems fit, and the insurers or the insurer, as the case may be, shall be bound to comply with such directions:</p>	<p>a manner detrimental to the interests of the policy-holders or in a manner prejudicial to the interests of the insurer or <b>insurance intermediary; or</b></p> <p>(c) generally to secure the proper management of an insurer or <b>insurance intermediary,</b> it is necessary to issue directions to insurers <b>or insurance intermediaries</b> generally or to an insurer or insurance intermediary in particular, he may issue such directions as he deems fit, <b>including direction of disgorgement</b> and the insurers <b>or insurance intermediaries</b> or the insurer <b>or insurance intermediary,</b> as the case may be, shall be bound to comply with such directions:</p> <p>Provided that no such directions shall be issued to any insurer <b>or</b></p>		

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<p>Provided that no such direction shall be issued to any insurer in particular unless such insurer has been given a reasonable opportunity of being heard.</p>	<p><b>insurance intermediary</b> in particular unless such insurer <b>or insurance intermediary</b> has been given a reasonable opportunity of being heard.</p> <p><b>Explanation.—For the removal of doubts, it is hereby clarified that the power to issue directions under this section shall include and always be deemed to have been included the power to direct any person, who made profit or averted loss by indulging in any transaction or activity in contravention of the provisions of this Act or regulations made thereunder, to disgorge an amount equivalent to the wrongful gain made or loss averted by such contravention.</b></p>		
<p><b>34A. Amendment of provisions relating to appointments of managing directors, etc., to be</b></p>			

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<p><b>subject to previous approval of the Authority. —</b>                      (2) Nothing contained in sections 268 and 269 , the proviso to sub-section (3) of section 309, sections 310 and 311 , the proviso to section 387 , and section 388 (in so far as section 388 makes the provisions of sections 310 and 311 apply in relation to the manager of a company) of the Companies Act, 1956(1 of 1956), shall apply to any matter in respect of which the approval of the authority has to be obtained under sub-section (1).</p>	<p>(2) Nothing contained in section 196, 197 and 203 of the Companies Act, 2013 (18 of 2013), shall apply to any matter in respect of which the approval of the Authority has to be obtained under sub- section (1).</p>		
<p><b>34H. Search and seizure. —</b>                      (1) Where the Chairperson of the Authority, in consequence of information in his possession, has reason to believe that —                      (a) any person who has been required under sub-section (2) of section 33 to produce, or cause to</p>	<p>(1) Where the Chairperson of the Authority, in consequence of information in his possession, has reason to believe that —                      (a) any person who has been required under sub-section (3)</p>		

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<p>be produced, any books, accounts or other documents in his custody or power has omitted or failed to produce, or cause to be produced, such books, accounts or other documents, or</p> <p>(b) Any person to whom a requisition to produce any books, accounts or other documents as aforesaid has been or might be issued will not, or would not, produce or cause to be produced, any books, accounts or other documents which will be useful for, or relevant to, an investigation under sub-section (1) of section 33 or an inspection under sub-section (1A) of that section, or</p> <p>(c) a contravention of any provision of this Act has been</p>	<p>of section 33 to produce, or cause to be produced, any books, accounts or other documents in his custody or power has omitted or failed to produce, or cause to be produced, such books, accounts or other documents, or</p> <p>(b) Any person to whom a requisition to produce any books, accounts or other documents as aforesaid has been or might be issued will not, or would not, produce or cause to be produced, any books, accounts or other documents which will be useful for, or relevant to, an investigation under subsection (1) of section 33 or an inspection under <b>sub-section (2)</b> of that section, or</p> <p>(c) a contravention of any provision of this Act has been</p>		

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<p>committed or is likely to be committed by an insurer, or</p> <p>(d) any claim which is due to be settled by an insurer, has been or is likely to be rejected or settled at a figure higher than a reasonable amount, or</p> <p>(e) any claim which is due to be settled by an insurer, has been or is likely to be rejected or settled at a figure lower than a reasonable amount, or</p> <p>(f) any illegal rebate or commission has been paid or is likely to be paid by an insurer, or</p> <p>(g) any books, accounts, receipts, vouchers, survey reports or other documents, belonging to an insurer are likely to be tampered with, falsified or manufactured, he may authorise any subordinate officer of his, not lower in rank</p>	<p>committed or is likely to be committed by an insurer <b>or insurance intermediary, or</b></p> <p>(d) any claim which is due to be settled by an insurer, has been or is likely to be rejected or settled at a figure higher than a reasonable amount, or</p> <p>(e) any claim which is due to be settled by an insurer, has been or is likely to be rejected or settled at a figure lower than a reasonable amount, or</p> <p>(f) any illegal rebate or commission has been paid or is likely to be paid by an insurer or <b>insurance intermediary, or</b></p> <p>(g) any books, accounts, receipts, vouchers, survey reports or other documents, belonging to an insurer or insurance intermediary are likely to be tampered with, falsified or manufactured, he may authorise</p>		

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<p>than a Deputy Director or an equivalent officer (hereafter referred to as the authorised officer) to —</p> <p>(i) enter and search any building or place where he has reason to suspect that such books, accounts or other documents, or any books or papers relating to any claim, rebate or commission or any receipts, vouchers, reports or other documents are kept;</p> <p>(ii) break open the lock of any door, box, locker, safe, almirah or other receptacle for exercising the powers conferred by clause (i) where the keys thereof are not available;</p> <p>(iii) seize all or any such books, accounts or other documents, found as a result of such search;</p>	<p>any subordinate officer of his, not lower in rank than a <b>Deputy General Manager</b> or an equivalent officer (hereafter referred to as the authorised officer) to —</p> <p>(i) enter and search any building or place where he has reason to suspect that such books, accounts or other documents, or any books or papers relating to any claim, rebate or commission or any receipts, vouchers, reports or other documents are kept;</p> <p>(ii) break open the lock of any door, box, locker, safe, almirah or other receptacle for exercising the powers conferred by clause (i) where the keys thereof are not available;</p> <p>(iii) seize all or any such books, accounts or other documents, found as a result of such search;</p>		

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(iv) place marks of identification on such books, accounts or other documents or make or cause to be made extracts or copies therefrom.	(iv) place marks of identification on such books, accounts or other documents or make or cause to be made extracts or copies therefrom.		
<p><b>35. Amalgamation and transfer of insurance business.—</b></p> <p>(3) Before an application is made to the 5 Authority to approve any such scheme notices of the intention to make the application together with a statement of the nature of the amalgamation or transfer, as the case may be, and of the reason therefore shall, at least two months before the application is made, be sent to the 5 Authority and certified copies, four in number, of each of the following documents shall be furnished to the 5 Authority, and other such copies shall during the two months aforesaid be kept open for the inspection of the</p>	<p>(3) Before an application is made to the Authority to approve any such scheme notices of the intention to make the application together with a statement of the nature of the amalgamation or transfer, as the case may be, and of the reason therefore shall, at least two months before the application is made, be sent to the Authority and certified copies, four in number, of each of the following documents shall be furnished to the Authority, and other such copies shall during the two months aforesaid be kept open</p>		

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<p>members and policy-holders at the principal and branch offices and chief agencies of the insurers concerned, namely: —</p> <p>(a) a draft of the agreement or deed under which it is proposed to effect the amalgamation or transfer;</p> <p>(b) balance sheets in respect of the insurance business of each of the insurers concerned in such amalgamation or transfer, prepared in such forms as may be specified by the regulations;</p> <p>(c) actuarial reports and abstracts in respect of the life insurance business of each of the insurers so concerned, prepared in conformity with the regulations specified in this regard.</p> <p>(d) a report on the proposed amalgamation or transfer, prepared by an independent actuary who has never been</p>	<p>for the inspection of the members and policy-holders at the principal and branch offices and chief agencies of the insurers concerned, namely: —</p> <p>(a) a draft of the agreement or deed under which it is proposed to effect the amalgamation or transfer;</p> <p>(b) balance- sheets in respect of the insurance business of each of the insurers concerned in such amalgamation of transfer, prepared in such forms as may be specified by the regulations;</p> <p>(c) actuarial reports and abstracts in respect of the life insurance business of each of the insurers so concerned, prepared in conformity with the regulations specified in this regard.</p> <p>(d) a report on the proposed amalgamation or transfer,</p>		



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<p>professionally connected with any of the parties concerned in the amalgamation or transfer at any time in the five years preceding the date on which he signs his report;                      (e) any other reports on which the scheme of amalgamation or transfer was founded.                      The balance-sheets, reports and abstracts referred to in clauses (b), (c) and (d) shall be prepared as at the date at which the amalgamation or transfer if approved by the Authority is to take effect, which date shall not be more than twelve months before the date on which the application to the Authority is made under this section:                      Provided that if the Authority so directs in the case of any particular insurer there may be substituted respectively for the</p>	<p>prepared by an independent actuary who has never been professionally connected with any of the parties concerned in the amalgamation or transfer at any time in the five years preceding the date on which he signs his report;                      (e) any other reports on which the scheme of amalgamation or transfer was founded.                      The balance- sheets and reports and abstracts referred to in Clauses (b), (c) and (d) shall all be prepared as at the date at which the amalgamation or transfer if approved by the Authority is to take effect, which date shall not be more than twelve months before the date on which the application to the Authority is made under this section:</p>		

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balance-sheet, report and abstract referred to in clauses (b) and (c) prepared in accordance with this sub-section certified copies of the last balance-sheet and last report and abstract prepared in accordance with sections 11 and 13 of this Act <b>or sections 7 and 8 of the Indian Life Assurance Companies Act, 1912 ( 6 of 1912 )</b> , if that balance-sheet is prepared as at a date not more than twelve months, and that report and abstract as at a date not more than five years, before the date on which the application to the Authority is made under this section.	Provided that if the Authority so directs in the case of any particular insurer there may be substituted respectively for the balance- sheet and report and abstract referred to in clauses (b) and (c) prepared in accordance with this sub-section certified copies of the last balance- sheet and last report and abstract prepared in accordance with sections 11 and 13 of this Act, if that balance- sheet is prepared as at a date not more than twelve months, and that report and abstract as at a date not more than five years, before the date on which the application to the Authority is made under this section.		
<b>37A. Power of Authority to prepare Scheme of Amalgamation.—</b> (2) The scheme aforesaid may			

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<p>contain provisions for all or any of the following matters, namely: —</p> <p>(a) the constitution, name and registered office, the capital, assets, powers, rights, interests, authorities and privileges, and the liabilities, duties and obligations of the transferee insurer;</p> <p>(b) the transfer to the transferee insurer of the business, properties, assets and liabilities of the insurer on such terms and conditions as may be specified in the scheme;</p> <p>(c) any change in the Board of Directors, or the appointment of a new Board of Directors of the transferee insurer and the authority by whom, the manner in which, and the other terms and conditions on which, such change or appointment shall be made, and, in the case of appointment</p>			

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<p>of a new Board of Directors or of any director, the period for which such appointment shall be made;</p> <p>(d) the alteration of the memorandum and articles of association of the transferee insurer for the purpose of altering the capital thereof or for such other purposes as may be necessary to give effect to the amalgamation;</p> <p>(e) subject to the provisions of the scheme, the continuation by or against the transferee insurer, of any actions or proceedings pending against the insurer;</p> <p>(f) the reduction of the interest or rights which the shareholders, policy-holders and other creditors have in or against the insurer before the amalgamation to such extent as the Authority considers necessary in the public interest or in the interests of the</p>			

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<p>shareholders, policy-holders and other creditors or for the maintenance of the business of the insurer;</p> <p>(g) the payment in cash or otherwise to policy-holders, and other creditors in full satisfaction of their claim, —</p> <p>(i) in respect of their interest or rights in or against the insurer before the amalgamation; or</p> <p>(ii) where their interest or rights aforesaid in or against the insurer has or have been reduced under clause (f) in respect of such interest or rights as so reduced;</p> <p>(h) the allotment to the shareholders of the insurer for shares held by them therein before the amalgamation whether their interest in such shares has been reduced under clause (f) or not of shares in the transferee insurer and where any</p>	<p>(i) the continuance of the services of all the employees of the insurer (excepting such of them as not being workmen within the meaning of the Industrial Disputes Act, 1947 (14 of 1947), are specifically mentioned in the scheme) in the transferee insurer at the same remuneration and on the same terms and conditions of service, which they were getting or, as the case may be, by which they were being governed, immediately before the date of the amalgamation:</p>		

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<p>shareholders claim payment in cash and not allotment of shares, or where it is not possible to allot shares to any shareholders, the payment in cash to those shareholders in full satisfaction of their claim—</p> <p>(i) in respect of their interest in shares in the insurer before the amalgamation; or</p> <p>(ii) where such interest has been reduced under clause (f) in respect of their interest in shares as so reduced;</p> <p>(i) the continuance of the services of all the employees of the insurer (excepting such of them as not being workmen within the meaning of the Industrial Disputes Act, 1947 (14 of 1947), are specifically mentioned in the scheme) in the transferee insurer at the same remuneration and on the same terms and conditions of</p>	<p>Provided that the scheme shall contain a provision that the transferee insurer shall pay or grant not later than the expiry of the period of three years, from the date of the amalgamation, to the said employees the same remuneration and the same terms and conditions of service as are applicable to the other employees of corresponding rank or status, of the transferee insurer subject to the qualifications and experience of the said employees being the same as or equivalent to those of such other employees of the transferee insurer:</p> <p>Provided further that if in any case any doubt or difference arises as to whether the qualification and experience of any of the said employees are the same as or equivalent to the</p>		

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<p>service, which they were getting or, as the case may be, by which they were being governed, immediately before the date of the amalgamation:</p> <p>Provided that the scheme shall contain a provision that the transferee insurer shall pay or grant not later than the expiry of the period of three years, from the date of the amalgamation, to the said employees the same remuneration and the same terms and conditions of service as are applicable to the other employees of corresponding rank or status, of the transferee insurer subject to the qualifications and experience of the said employees being the same as or equivalent to those of such other employees of the transferee insurer:</p> <p>Provided further that if in any case any doubt or difference</p>	<p>qualifications and experience of the other employees of corresponding rank or status of the transferee insurer, the doubt or difference shall be referred to the <b>Authority</b> whose decision thereon shall be final;</p>		

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<p>arises as to whether the qualification and experience of any of the said employees are the same as or equivalent to the qualifications and experience of the other employees of corresponding rank or status of the transferee insurer, the doubt or difference shall be referred to the <b>Controller</b> whose decision thereon shall be final;</p> <p>(j) notwithstanding anything contained in clause (i) where any of the employees of the insurer not being workmen within the meaning of the Industrial Disputes Act, 1947 (14 of 1947), are specifically mentioned in the scheme under clause (i) of where any employees of the insurer have by notice in writing given to the insurer or, as the case may be, the transferee insurer at any time before</p>			



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<p>the expiry of one month next following the date on which the scheme is sanctioned by the Central Government, intimated their intention of not becoming employees of the transferee insurer, the payment to such employees of compensation, if any, to which they are entitled under the Industrial Disputes Act, 1947 (14 of 1947), and such pension, gratuity, provident fund, or other retirement benefits ordinarily admissible to them under the rules or authorisations of the insurer immediately before the date of the amalgamation;</p> <p>(k) any other terms and conditions for the amalgamation of the insurer;</p> <p>(l) such incidental, consequential and supplemental matters as are necessary to secure that the amalgamation shall be fully and</p>			

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effectively carried out. scheme.			
<p><b>39. Nomination by policyholder.</b> —(4) A transfer or assignment of a policy made in accordance with section 38 shall automatically cancel a nomination:</p> <p>Provided that the assignment of a policy to the insurer who bears the risk on the policy at the time of the assignment, in consideration of a loan granted by that insurer on the security of the policy within its surrender value, or its reassignment on repayment of the loan shall not cancel a nomination, but shall affect the rights of the nominee only to the extent of the insurer's interest in the policy:</p> <p>Provided further that the transfer or assignment of a policy, whether wholly or in part, in</p>	<p>(4) A transfer or assignment of a policy made in accordance with section 38 shall automatically cancel a nomination:</p> <p>Provided that the assignment of a policy to the insurer who bears the risk on the policy at the time of the assignment, in consideration of a loan granted by that insurer on the security of the policy within its surrender value, or its reassignment on repayment of the loan shall not cancel a nomination, but shall affect the rights of the nominee only to the extent of the insurer's interest in the policy:</p> <p>Provided further that the transfer or assignment of a policy, whether wholly or in part, in consideration of a loan</p>		

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<p>consideration of a loan advanced by the transferee or assignee to the policyholder, shall not cancel the nomination but shall affect the rights of the nominee only to the extent of the interest of the transferee or assignee, as the case may be, in the policy:</p> <p>Provided also that the nomination, which has been automatically cancelled consequent upon the transfer or assignment, the same nomination shall stand automatically revived when the policy is reassigned by the assignee or retransferred by the transferee in favour of the policyholder <b>on repayment of loan other than on a security of policy to the insurer.</b></p>	<p>advanced by the transferee or assignee to the policyholder, shall not cancel the nomination but shall affect the rights of the nominee only to the extent of the interest of the transferee or assignee, as the case may be, in the policy:</p> <p>Provided also that the nomination, which has been automatically cancelled consequent upon the transfer or assignment, the same nomination shall stand automatically revived when the policy is reassigned by the assignee or retransferred by the transferee in favour of the policyholder.</p>		
<p><b>40B. Limitation of expenses of management in life insurance business. —</b></p>	<p><b>40B. Limitation of expenses of management in life insurance business. —</b></p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
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No insurer shall, in respect of insurance business transacted by him in India, spend as expenses of management in any financial year any amount exceeding the amount as may be specified by the regulations made under this Act.	<p>(1) No insurer shall, in respect of insurance business transacted by him in India, spend as expenses of management in any financial year any amount exceeding the amount as may be specified by the regulations made under this Act;</p> <p>(2) Where an insurer is guilty of contravening the provisions of sub-section (1) with respect to the expenses of management, the Authority may, after giving the insurer an opportunity of being heard, administer a warning to the insurer or may issue directions to the insurer, including to charge the whole or part of such excess to the shareholders' account, or make restrictions on its business.</p>		
<b>40C. Limitation of expenses of management in general, health insurance and re-</b>	<b>40C. Furnishing details of expenses of management by the insurers</b>		

**Performa A for suggestions on proposed amendments to the Insurance Act, 1938**

Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p><b>insurance business.</b> —Every insurer transacting insurance business in India shall furnish to the Authority, the details of expenses of management in such manner and form as may be specified by the regulations made under this Act.</p>	<p>Every insurer transacting insurance business in India shall furnish to the Authority, the details of expenses of management in such manner and form as may be specified by the regulations made under this Act.</p>		
<p><b>42. Appointment of insurance agents.</b> — (1) An insurer may appoint any person to act as insurance agent for the purpose of soliciting and procuring insurance business: Provided that such person does not suffer from any of the disqualifications mentioned in sub-section (3).</p>	<p>(1) An insurer may appoint any person meeting the eligibility, qualification and requirements specified under sub-section (2) to act as an insurance agent for the purpose of soliciting and procuring insurance business. Provided that no person shall be appointed as an insurance agent and no person shall accept appointment as an insurance agent for more than one insurer carrying on insurance business in the same class or sub-class.</p>		

**Performa A for suggestions on proposed amendments to the Insurance Act, 1938**

Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>(2) No person shall act as an insurance agent for more than one life insurer, one general insurer, one health insurer and one of each of the other mono-line insurers:                      Provided that the Authority shall, while framing regulations, ensure that no conflict of interest is allowed to arise for any agent in representing two or more insurers for whom he may be an agent.</p> <p>(3) The disqualifications referred to in the proviso to subsection (1) shall be the following:                      —</p> <p>(a) that the person is a minor;</p> <p>(b) that he is found to be of unsound mind by a court of competent jurisdiction;</p> <p>(c) that he has been found guilty of criminal</p>	<p>(2) The Authority shall specify by regulations the eligibility qualifications and requirement for appointment of a person as an insurance agent.</p> <p>(3) The Authority shall specify the code of conduct for an insurance agent.</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>misappropriation or criminal breach of trust or cheating or forgery or an abetment of or attempt to commit any such offence by a court of competent jurisdiction:</p> <p>Provided that where at least five years have elapsed since the completion of the sentence imposed on any person in respect of any such offence, the Authority shall ordinarily declare in respect of such person that his conviction shall cease to operate as a disqualification under this clause;</p> <p>(d) that in the course of any judicial proceeding relating to any policy of insurance or the winding up of an insurer or in the course of an investigation of the affairs of an insurer it has been found that he has been guilty of or has knowingly participated in</p>			

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>or connived at any fraud, dishonesty or misrepresentation against an insurer or insured;</p> <p>(e) that in the case of an individual, who does not possess the requisite qualifications or practical training or passed the examination, as may be specified by the regulations;</p> <p>(f) that in the case of a company or firm making, a director or a partner or one or more of its officers or other employees so designated by it and in the case of any other person the chief executive, by whatever name called, or one or more of his employees designated by him, do not possess the requisite qualifications or practical training and have not passed such an examination as required under clauses (e) and (g);</p> <p>(g) that he has not passed</p>			



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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>such examination as may be specified by the regulations;</p> <p>(h) that he has violated the code of conduct as may be specified by the regulations.</p> <p>(4) Any person who acts as an insurance agent in contravention of the provision of this Act, shall be liable to a penalty which may extend to ten thousand rupees and any insurer or any person acting on behalf of an insurer, who appoints any person as an insurance agent not permitted to act as such or transacts any insurance business in India through any such person shall be liable to penalty which may extend to one crore rupees.</p> <p>(5) The insurer shall be responsible for all the acts and</p>	<p>(4) Any person who acts as an insurance agent in contravention of the provisions of this Act, shall be liable to a penalty which may extend to ten thousand rupees and any insurer or any person acting on behalf of an insurer, who appoints any person as an insurance agent not permitted to act as such or transacts any insurance business in India through any such person shall be liable to penalty which may extend to one crore rupees.</p> <p>(5) The insurer shall be responsible for all the acts and</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>omissions of its agents including violation of code of conduct specified under clause (h) of sub-section (3) and liable to a penalty which may extend to one crore rupees.</p> <p><b>42A. Prohibition of insurance business through principal agent, special agent and multilevel marketing. —</b></p> <p>(1) No insurer shall, on or after the commencement of the Insurance Laws (Amendment) Act, 2015 (5 of 2015), appoint any principal agent, chief agent, and special agent and transact any insurance business in India through them.</p> <p>(2) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or renew</p>	<p>omissions of its agents including violation of code of conduct specified under sub-section (3) and liable to a penalty which may extend to one crore rupees.</p> <p><b>42A. Prohibition of multilevel marketing. —</b></p> <p>Proposed to be omitted</p> <p>(1) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance policy</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>or continue an insurance policy through multilevel marketing scheme.</p> <p>(3) The Authority may, through an officer authorised in this behalf, make a complaint to the appropriate police authorities against the entity or persons involved in the multilevel marketing scheme.</p> <p>Explanation. —For the purpose of this section “multilevel marketing scheme” means any scheme or programme or arrangement or plan (by whatever name called) for the purpose of soliciting and procuring insurance business through persons not authorised for the said purpose with or without consideration of whole or part of commission or remuneration earned through such solicitation and</p>	<p>through multilevel marketing scheme.</p> <p>(2) The Authority may, through an officer authorised in this behalf, make a complaint to the appropriate police authorities against the entity or persons involved in the multilevel marketing scheme.</p> <p>Explanation. —For the purpose of this section “multilevel marketing scheme” means any scheme or programme or arrangement or plan (by whatever name called) for the purpose of soliciting and procuring insurance business through persons not authorised for the said purpose with or without consideration of whole or part of commission or remuneration earned through such solicitation and</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
procurement and includes enrolment of persons into a multilevel chain for the said purpose either directly or indirectly.]	procurement and includes enrolment of persons into a multilevel chain for the said purpose either directly or indirectly.		
<p><b>42D. Issue of registration to intermediary or insurance intermediary. —</b></p> <p>(1) The Authority or an officer authorised by it in this behalf shall, in the manner determined by the regulations made by the Authority and on payment of the fees determined by the regulations made by the Authority, issue to any person making an application in the manner determined by the regulations, and not suffering from any of the disqualifications herein mentioned, a registration to act as an intermediary or an insurance intermediary under this Act:</p>	<p><b>42D. Issue of registration to intermediary or insurance intermediary. —</b></p> <p>(1) No person shall begin to carry on or act as an insurance intermediary unless he obtains a certificate of registration for the same from the Authority.</p>		

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		Suggested Amendment	Justification
<p>Provided that—</p> <p>(a) in the case of an individual, he does not suffer from any of the disqualifications mentioned in sub-section (3) of section 42, or</p> <p>(b) in the case of a company, or firm, any of its directors or partners does not suffer from any of the said disqualifications.</p> <p>(2) A registration made under this section shall entitle the holder thereof to act as an intermediary or insurance intermediary.</p> <p>(3) A registration made under this section shall remain in force for a period of three years only from the date of issue, but shall, if the</p>	<p>(2) Every application for registration as an insurance intermediary shall be made to the Authority in such form and manner and shall be accompanied by such documents and payment of such fee as may be specified by regulations.</p> <p>(3) If, on receipt of application for registration, the Authority is satisfied after making such inquiry as it deems fit that the</p>		

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<p>applicant, being an individual does not, or being a company or firm any of its directors or partners or one or more of its officers or other employees so designated by it and in the case of any other person, the chief executive by whatever name called, or one or more of his employees designated by him does not suffer from any of the disqualifications mentioned in (in clauses (b), (c), (d), (c) and (g) of sub-section (3) of section 42) and the application for renewal of registration reaches the issuing authority at least thirty days before the date on which the registration ceases to remain in force, be renewed for a period of three years at any one time on payment of the fee, determined by the regulations made by the Authority and additional fee for</p>	<p>application is complete in all respects and the applicant fulfils all the requirements and qualifications of eligibility specified by regulations, the Authority may register the applicant as an insurance intermediary and grant him a certificate of registration.</p>		

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		Suggested Amendment	Justification
<p>an amount determined by the regulations, not exceeding one hundred rupees by way of penalty, if the application for renewal of the registration does not reach the issuing authority at least thirty days before the date on which the registration ceases to remain in force.</p> <p>(4) No application for the renewal of a registration under this section shall be entertained if the application does not reach the issuing authority before the registration ceases to remain in force:</p> <p>Provided that the Authority may,</p>	<p>(4) A registration made under sub-section (3) and a registration which is in force at the time of the commencement of the Insurance Laws (Amendment) Act, 2022 shall remain in force on payment of an annual fee specified by the regulations made by the Authority until such registration is suspended or cancelled in accordance with the regulations:</p>		

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		Suggested Amendment	Justification
<p>if satisfied that undue hardship would be caused otherwise, accept any application in contravention of this sub-section on payment by the applicant of a penalty of seven hundred and fifty rupees.</p> <p>(5) The disqualifications above referred to shall be the following: —</p> <p>(a) that the person is a minor;</p> <p>(b) that he is found to be of unsound mind by a Court of competent jurisdiction;</p> <p>(c) that he has been found guilty of criminal misappropriation or criminal breach of trust or cheating or forgery or an abetment of or attempt to commit any such offence by a Court of competent jurisdiction:</p> <p>Provided that, where at least five</p>	<p>Provided that annual fee shall not be payable in respect of a registration which is in force at the time of the commencement of the Insurance Laws (Amendment) Act, 2022 till the expiry of the balance period of its validity prior to the said time of commencement.</p> <p>(5) Where the Authority refuses registration, it shall record the reasons for such decision and shall furnish a copy thereof to the applicant:</p> <p>Provided that before making any order refusing registration, the applicant shall be given a reasonable opportunity of being heard.</p>		



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<p>years have elapsed since the completion of the sentence imposed on any person in respect of any such offence, the Authority shall ordinarily declare in respect of such person that his conviction shall cease to operate as a disqualification under this clause;</p> <p>(d) that in the course of any judicial proceeding relating to any policy of insurance of the winding up of an insurance company or in the course of an investigation of the affairs of an insurer it has been found that he has been guilty of or has knowingly participated in or connived at any fraud dishonestly or misrepresentation against an insurer or an insured;</p> <p>(e) that he does not possess the requisite qualifications and practical training for a period not</p>			

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<p>exceeding twelve months, as may be specified by the regulations made by the Authority in this behalf;</p> <p>(f) that he has not passed such examinations as may be specified by the regulations made by the Authority in this behalf;</p> <p>(g) that he violates the code of conduct as may be specified by the regulations made by the Authority.</p> <p>(6) If it be found that an intermediary or an insurance intermediary suffers from any of the foregoing disqualifications, without prejudice to any other penalty to which he may be liable, the Authority shall, and if the intermediary or an insurance intermediary has knowingly contravened any provision of this Act may cancel the registration</p>	<p>(6) The Authority may suspend or cancel the registration of an insurance intermediary in accordance with the regulations specified in this regard, if the insurance intermediary—</p> <p>(i) contravenes any provision of this Act or the Insurance Regulatory and Development Act, 1999 (41 of 1999) or the rules or regulations framed thereunder or makes a default in complying with any direction issued or order made, or</p> <p>(ii) makes a default in complying with, or acts in contravention of, any requirement of the Companies Act, 2013 (18 of 2013) or the General Insurance Business (Nationalisation) Act,</p>		

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made to the intermediary or insurance intermediary under this section.	1972 (57 of 1972) or the Life Insurance Corporation Act, 1956 (31 of 1956) or the Foreign Exchange Management Act, 1999 (42 of 1999) or the Prevention of Money Laundering Act, 2002 (15 of 2002), or (iii) having its holding company or a joint venture partner having its principal place of business in a country outside India that has been debarred by law or practice of such country to carry on insurance intermediary business, or (iv) fails to pay the annual fee required under sub-section (4), or (v) is convicted for an offence under any law for the time being in force, or (vi) being a co-operative society set up under the relevant State		

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		Suggested Amendment	Justification
(7) The Authority may issue a duplicate registration to replace a registration lost, destroyed or	<p>laws or, as the case may be, the Multi-State Co-operative Societies Act, 2002 (39 of 2002), contravenes the provisions of law as may be applicable to the insurance intermediary, or</p> <p>(vii) no longer meets the requirements or qualifications of eligibility, or</p> <p>(viii) makes any other default, as may be specified by regulations: Provided that no order under this sub-section shall be made unless the person concerned has been given a reasonable opportunity of being heard: Provided further that if the Authority is satisfied that the grounds on which the certificate of registration was suspended no longer subsist, the Authority may revoke such order of suspension.</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>mutilated, on payment of such fee, as may be determined by the regulations made by the Authority.</p> <p>(8) Any person who acts as an intermediary or an insurance intermediary without being registered under this section to act as such, shall be liable to a penalty which may extend to ten lakh rupees and any person who appoints as an intermediary or an insurance intermediary or any person not registered to act as such or transacts any insurance business in India through any</p>	<p>(7) Any person who acts as an insurance intermediary without being registered under this section to act as such, shall be liable to a penalty which may extend to ten lakh rupees and any person who appoints as an insurance intermediary or any person not registered to act as such or transacts any insurance business in India through any such person, shall be liable to a penalty which may extend to one crore rupees.</p> <p>(8) Where the person contravening sub-section (7) is a company or a firm, then, without prejudice to any other proceedings which may be taken against the company or firm, every director, manager,</p>		

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<p>such person, shall be liable to a penalty which may extend to one crore rupees.</p> <p>(9) Where the person contravening sub-section (8) is a company or a firm, then, without prejudice to any other proceedings which may be taken against the company or firm, every director, manager, secretary or other officer of the company, and every partner of the firm who is knowingly a party to such contravention shall be liable to a penalty which may extend to ten lakh rupees.</p>	<p>secretary or other officer of the company, and every partner of the firm who is knowingly a party to such contravention shall be liable to a penalty which may extend to ten lakh rupees.</p> <p>(9) The Authority may issue a duplicate certificate of registration to replace a registration certificate lost, destroyed or mutilated, or in any other case where the Authority is of opinion that the issue of duplicate certificate is necessary, on payment of such fee, as may be specified by regulations.</p>		
<p><b>47. Payment of money into court.</b> — (1) Where in respect of any policy of <b>life insurance maturing</b> for payment an insurer is of opinion that by reason of conflicting claims to or</p>	<p><b>47. Payment of money into court.</b> —(1) Where in respect of any policy of <b>insurance due</b> for payment an insurer is of opinion that by reason of conflicting claims to or insufficiency of</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
insufficiency of proof of <b>title to the amount secured thereby or for any other adequate reason</b> it is impossible otherwise for the insurer to obtain a satisfactory discharge for the payment of such amount, the insurer may, apply to pay the amount into the Court within the jurisdiction of which is situated the place at which such amount is payable under the terms of the policy or otherwise.	proof of <b>entitlement to receive the due payment</b> it is impossible otherwise for the insurer to obtain a satisfactory discharge for the payment of such amount, the insurer may, apply to pay the amount into the Court within the jurisdiction of which is situated the place at which such amount is payable under the terms of the policy or otherwise.		
<b>48B. Further provision regarding directors. —</b> (1) An insurer specified in sub-clause (b) of clause (9) of section 2 and carrying on life insurance business shall not have a common director with another such insurer.	<b>48B. Further provision regarding directors. —</b> (1) <b>An insurer defined in clause (9) of section 2 and carrying on insurance business shall not have a common director with another insurer carrying on the same class or sub-class of insurance business:</b> <b>Provided that the provisions of sub-section (1) shall not apply to</b>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>(2) The Authority may, for such period, to such extent and subject to such conditions as it may specify, exempt from the operation of the section—</p> <p>(a) any insurer, who is a subsidiary company of another insurer, or</p> <p>(b) two or more insurers, for the purpose of facilitating their amalgamation or the transfer of business of one insurer to the other.</p>	<p>a director nominated by the Central Government.</p> <p>(2) The Authority may, for such period, to such extent and subject to such conditions as it may specify, exempt from the operation of the section, two or more insurers, for the purpose of facilitating their amalgamation or the transfer of business of one insurer to the other.</p>		
<p><b>49. Restriction on dividends and bonuses. —</b></p> <p>(1) No insurer, who carries on the business of life insurance or any other class or sub-class of insurance business to which section 13 applies, shall, for the purpose of declaring or paying any dividend to shareholders or any bonus to policy-holders or of</p>	<p><b>49. Restriction on dividends and bonuses. —</b></p> <p>(1)No insurer, who carries on the insurance business, shall, for the purpose of declaring or paying any dividend to shareholders or any bonus to policy-holders or of making any payment in services of any debentures, utilize directly or</p>		



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making any payment in service of any debentures, utilize directly or indirectly any portion of the life insurance fund or of the fund of <b>such</b> other class or sub-class of insurance business, as the case may be, except a surplus shown in the valuation balance-sheet in such form as may be specified by the regulations made by the Authority submitted to the Authority as part of the abstract referred to in section 15 as a result of an actuarial valuation of the assets and liabilities of the insurer; nor shall he increase such surplus by contributions out of any reserve fund or otherwise unless such contributions have been brought in as revenue account applicable to that class or sub-class of insurance business on or before the date of the valuation aforesaid, except when the	indirectly any portion of the life insurance fund or of the fund of <b>the</b> other class or sub-class of insurance business, as the case may be, except a surplus shown in the valuation balance- sheet in such form as may be specified by the regulations made by the Authority submitted to the Authority as part of the abstract referred to in section 15 as a result of an actuarial valuation of the assets and liabilities of the insurer; nor shall he increase such surplus by contributions out of any reserve fund or otherwise unless such contributions have been brought in as revenue through the revenue account applicable to that class or sub-class of insurance business on or before the date of the valuation aforesaid, except when the		

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<p>reserve fund is made up solely of transfers from similar surpluses disclosed by valuations in respect of which returns have been submitted to the Authority under section 15 of this Act:                      Provided that payments made out of any such surplus in service of any debentures shall not exceed fifty percent, of such surplus including any payment by way of interest on the debentures, and interest paid on the debentures shall not exceed ten per cent, of any such surplus except when the interest paid on the debentures is offset against the interest credited to the fund or funds concerned in deciding the interest basis adopted in the valuation disclosing the aforesaid surplus:                      Provided further that the share of any such surplus allocated to or reserved for the shareholders,</p>	<p>reserve fund is made up solely of transfers from similar surpluses disclosed by valuations in respect of which returns have been submitted to the Authority under section 15 of this Act:                      Provided that payments made out of any such surplus in service of any debentures shall not exceed fifty percent, of such surplus including any payment by way of interest on the debentures, and interest paid on the debentures shall not exceed ten per cent, of any such surplus except when the interest paid on the debentures is offset against the interest credited to the fund or funds concerned in deciding the interest basis adopted in the valuation disclosing the aforesaid surplus:                      Provided further that the share</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
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(including any amount for the payment of dividends guaranteed to them, whether by way of first charge or otherwise), shall not exceed such sums as may be specified by the Authority and such share shall in no case exceed ten per cent of such surplus in case of participating policies and in other cases the whole thereof.	of any such surplus allocated to or reserved for the shareholders, (including any amount for the payment of dividends guaranteed to them, whether by way of first charge or otherwise), shall not exceed such sums as may be specified by the Authority and such share shall in no case exceed ten per cent of such surplus in case of participating policies and in other cases the whole thereof.		
<b>51. Supply of copies of proposals and medical reports.</b> — Every insurer shall, on application by a policyholder and on payment of a fee not exceeding <b>one rupee</b> , supply to the policyholder certified copies of the questions put to him and his answers thereto contained in his proposal for insurance and in the medical report supplied in	<b>51. Supply of copies of proposals and medical reports.</b> — Every insurer shall, on application by a policy-holder and on payment of a fee not exceeding <b>two hundred fifty rupees</b> , supply to the policyholder certified copies of the question put to him and his answers thereto contained in his proposal for insurance and in		

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connection therewith.	the medical report supplied in connection therewith.		
<p><b>52A. When Administrator for management of insurance business may be appointed. —</b></p> <p>(1) If at any time the Authority has reason to believe that an insurer carrying on life insurance business is acting in a manner likely to be prejudicial to the interests of holders of life insurance policies, it may, after giving such opportunity to the insurer to be heard appoint an Administrator to manage the affairs of the insurer under the direction and control of the Authority.</p>	<p><b>52A. When <b>Board of Directors, etc. superseded and</b> Administrator for management of insurance business may be appointed.</b></p> <p>—</p> <p>(1) If at any time the Authority has reason to believe that an insurer carrying on life insurance business is acting in a manner likely to be prejudicial to the interests of its policyholders, it may, for reasons to be recorded in writing, after giving such opportunity to the insurer to be heard, by order, supersede the Board of Directors or such other management or governing or executive committee of such insurer, and appoint an Administrator to manage the affairs of the insurer under the</p>		

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	direction and control of the Authority.		
<p><b>55. Valuation of liabilities. —</b>                      (3) The rule in the Seventh Schedule shall be of the same force and may be repealed, altered or amended as if it were a rule made in pursuance of <b>section 643</b> of the Companies Act, 2013 (18 of 2013) and rules may be made under that section for the purpose of carrying into effect the provisions of this Act with respect to the winding up of insurance companies.</p>	<p>(3) The rule in the Seventh Schedule shall be of the same force and may be repealed, altered or amended as if it were a rule made in pursuance of <b>section 468</b> of the Companies Act, 2013 (18 of 2013) and rules may be made under that section for the purpose of carrying into effect the provisions of this Act with respect to the winding up of insurance companies.</p>		
<p><b>64. Books to be kept by insurers established outside India. —</b> Every insurer having his principal place of business or domicile outside India shall keep at his principal office in India such books of account, registers and documents as will enable the accounts, statements and</p>	<p><b>64. Books to be kept by insurers established outside India. —</b> Every insurer having his principal place of business or domicile outside India shall keep at his principal office in India such books of account, registers and documents as will enable the accounts, statements and</p>		

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		Suggested Amendment	Justification
abstracts which he is required under this Act to furnish to the Authority in respect of the insurance business transacted by him in India to be compiled and, if necessary, checked by the Authority and shall furnish to the Authority <b>on or before the last day of January in every calendar year</b> a certificate from an auditor to the effect that the said books of account, register and documents are being kept as required at the principal office of the insurer in India.	abstracts which he is required under this Act to furnish to the Authority in respect of the insurance business transacted by him in India to be compiled and, if necessary, checked by the Authority and shall furnish to the Authority <b>within such time as may be determined by order issued by the Authority</b> a certificate from an auditor to the effect that the said books of account, register and documents are being kept as required at the principal office of the insurer in India.		
<b>64F. Executive Committees of the Life Insurance Council and the General Insurance Council.</b> — (1) The executive committee of the Life Insurance Council shall consist of the following persons, namely: - (a) <b>four</b> representatives of	<b>64F. Executive Committees of the Life Insurance Council and the General Insurance Council.</b> — (1) The executive committee of the Life Insurance Council shall consist of the following persons, namely: - (a) <b>seven</b> representatives of		

**Performa A for suggestions on proposed amendments to the Insurance Act, 1938**

Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>members of the Life Insurance Council elected in their individual capacity by the members in such manner as may be laid down in the bye-laws of the Council;</p> <p>(b) <b>an</b> eminent person not connected with insurance business, nominated by the Authority;</p> <p>(c) three persons to represent insurance agents, intermediaries and policyholders respectively as may be nominated by the Authority;</p> <p>(d) one representative each from self-help groups and insurance co-operative societies: Provided that one of the representatives as mentioned in clause (a) shall be elected as the Chairperson of the Executive</p>	<p>members of the Life Insurance Council elected in their individual capacity by the members in such manner as may be laid down in the bye-laws of the Council;</p> <p>(b) <b>two</b> eminent persons not connected with insurance business, nominated by the Authority;</p> <p>(c) three persons to represent insurance agents, intermediaries and policyholders respectively as may be nominated by the Authority;</p> <p><b>(ca) one representative of the Central Government.</b></p> <p>(d) one representative each from self-help groups and insurance co-operative societies: Provided that one of the representatives as mentioned in clause (a) shall be elected as the Chairperson of the Executive</p>		

**Performa A for suggestions on proposed amendments to the Insurance Act, 1938**

Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>Committee of the Life Insurance Council.</p> <p>(2) The Executive Committee of the General Insurance Council shall consist of the following persons, namely: —</p> <p>(a) <b>four</b> representatives of members of the General Insurance Council elected in their individual capacity by the members in such manner as may be laid down in the bye-laws of the Council;</p> <p>(b) <b>an</b> eminent person not connected with insurance business, nominated by the Authority; and</p> <p>(c) <b>four</b> persons to represent insurance agents, <b>third party administrators, surveyors and loss assessors</b> and policyholders respectively as may be nominated by the Authority;</p>	<p>Committee of the Life Insurance Council.</p> <p>(2) The Executive Committee of the General Insurance Council shall consist of the following persons, namely: —</p> <p>(a) <b>seven</b> representatives of members of the General Insurance Council elected in their individual capacity by the members in such manner as may be laid down in the bye-laws of the Council;</p> <p>(b) <b>two</b> eminent persons not connected with insurance business, nominated by the Authority;</p> <p>(c) <b>three</b> persons from among insurance agents, <b>intermediaries</b> and policyholders as may be nominated by the Authority</p> <p><b>(d) one representative each from self-help groups and insurance</b></p>		



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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>Provided that one of the representatives as mentioned in clause (a) shall be elected as the Chairperson of the Executive Committee of the General Insurance Council.</p>	<p>co-operative societies as may be nominated by the Authority; and</p> <p>(e) one representative of the Central Government</p> <p>Provided that one of the representatives as mentioned in clause (a) shall be elected as the Chairperson of the Executive Committee of the General Insurance Council.</p>		
<p><b>64K. Executive Committee of Life Insurance Council may advise in controlling expenses.</b>                      — (1)It shall be the duty of the Executive Committee of the Life Insurance Council to meet at least once before the 31st day of March every year to advise the Authority in fixing under the proviso to sub-section (2) of Section 40-B the limits by which the actual expenses incurred by</p>	<p>Section 64K is omitted</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>an insurer carrying on life insurance business in respect of such business in the preceding year may exceed the limits prescribed under that sub-section, and in fixing any such limits the Authority shall have due regard to the conditions obtaining in life insurance business generally during that year and he may fix different limits for different groups of insurers.</p> <p>(2) Where an insurer is guilty of contravening the provisions of section 40B with respect to the expenses of management, the Authority may, after giving the insurer an opportunity of being heard, administer a warning to the insurer.</p> <p>(3) Where within a period of seven years two warnings have been given to an insurer under</p>			

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>sub-section (2) and they have been disregarded by him, the Authority may cause an investigation and valuation, as at such date as the Authority may specify, to be made at the expense of the insurer by an actuary appointed by the insurer for this purpose and approved by the Authority, and the insurer shall place at the disposal of the said actuary all the materials required by him for the purpose of such investigation and valuation, within such period, not being less than three months, as the Authority may specify.</p> <p>(4) The provisions of sub-sections (1) and (4) of Section 13 and sub-sections (1) and (2) of Section 15, or, as the case may be, of sub-section (2) of Sec. 16 shall apply in relation to an investigation and valuation</p>			

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>under this section:                      Provided that the abstract and statement prepared as the result of such investigation and valuation shall be furnished by such date as the Authority may specify.                      (5) There shall be appended to every such abstract a statement signed by the actuary giving such information as may be prescribed.                      (6) On receipt of the abstract and statement furnished in accordance with sub-section (4), the Authority may take such action as may be prescribed.</p>			
<p><b>64L. Functions of the Executive Committee of General Insurance Council. —</b>                      (1) The functions of the Executive Committee of the General Insurance Council shall be—</p>	<p><b>64L. Functions of the Executive Committee of General Insurance Council. —</b>                      (1) The functions of the Executive Committee of the General Insurance Council shall be—</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>(a) to aid and advise insurers, carrying on general insurance business, in the matter of setting up standards of conduct and sound practice and in the matter of rendering efficient service to holders of policies of general insurance;</p> <p>(c) to bring to the notice of the Authority the case of any such insurer acting in a manner prejudicial the interests of holders of general insurance policies;</p> <p>(2) For the purpose of enabling it to effectively discharge its functions, the Executive Committee of the General</p>	<p>(a) to aid and advise insurers carrying on general insurance business <b>or health insurance business or reinsurance business</b>, in the matter of setting up standards of conduct and sound practice and in the matter of rendering efficient service to holders of policies of general insurance <b>or health insurance or reinsurance business</b>;</p> <p>(c) to bring to the notice of the Authority the case of any such insurer acting in a manner prejudicial the interests of holders of general insurance policies <b>or health insurance policies or reinsurance policies</b>;</p> <p>(2) For the purpose of enabling it to effectively discharge its functions, the Executive Committee of the General</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>Insurance Council may collect such fees as may be laid down in the bye-laws made by the Council from the insurers carrying on general insurance business.</p> <p>Provided that if the General Insurance Council thinks fit, it may by a resolution passed by it, waive the collection of the prescribed fees for any year and where any such resolution has been approved by the Authority, the Executive Committee of the General Insurance Council shall not collect any fees in relation to that year.</p>	<p>Insurance Council may collect such fees as may be laid down in the bye-laws made by the Council from the insurers carrying on general insurance business <b>or health insurance business or reinsurance business:</b></p> <p>Provided that if the General Insurance Council thinks fit, it may by a resolution passed by it, waive the collection of the prescribed fees for any year and where any such resolution has been approved by the Authority, the Executive Committee of the General Insurance Council shall not collect any fees in relation to that year.</p>		
<p><b>64M. Executive Committee of General Insurance Council may advise in controlling expenses -</b></p>	<p>Section 64M is omitted</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>(1)It shall be the duty of the Executive Committee of the General Insurance Council to meet at least once before the 31st day of March every year to advise the Authority in fixing under the proviso to sub-section (1) of Section 40-C the limits by which the actual expenses of management incurred by an insurer carrying on general insurance business in respect of such business in the preceding year may exceed the limits prescribed under that sub-section, and in the fixing any such limits the Authority shall have due regard to the conditions obtaining in general insurance business in the preceding year, and it may fix different limits for different groups of insurers.</p> <p>(2) Where an insurer is guilty of contravening the provisions of</p>			

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>Section 40C with respect to the expenses of management the Authority may, after giving the insurer an opportunity of being heard, administer a warning to the insurer.</p> <p>(3) Where in any case two warnings given to an insurer under sub-section (2) have been disregarded by him, the Authority may take such action against the insurer as may be prescribed.</p>			
<p><b>64R. General powers of Life Insurance Council and General Insurance Council.—</b></p> <p>(1) For the efficient performance of its duties, the Life Insurance Council or the General Insurance Council, as the case may be, may—</p> <p>(a) appoint such officers and servants as may be necessary and fix the conditions of their service;</p> <p>(b) determine the manner in</p>	<p><b>64R. General powers of Life Insurance Council and General Insurance Council.</b></p> <p>—</p> <p>(1) For the efficient performance of its duties, the Life Insurance Council or the General Insurance Council, as the case may be, may—</p> <p>(a) appoint such officers and servants as may be necessary and fix the conditions of their</p>		



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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
which any prescribed fee may be collected	service; (b) determine the manner in which, fee, as laid down in the bye laws made by the council, may be collected”.		
<b>64ULA. Transitional provisions. —</b> (1) Notwithstanding anything contained in this Part, until the rates, advantage and terms and conditions laid down by the Advisory Committee under section 64UC are de-notified by the Authority with effect from such date as the Authority may by notification in the Official Gazette determine, and the rates, advantages and terms and conditions are decided by the insurer concerned, the rates, advantages and terms and conditions notified by the Advisory Committee shall continue to be in force and shall	<b>Section 64ULA is omitted</b>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>always be deemed to have been in force and any such rates, advantages and terms and conditions shall be binding on all the insurers.</p> <p>(2) The Authority shall, in consultation with the Central Government, prepare a scheme for the existing employees of the Tariff Advisory Committee on its dissolution, keeping in view the interests of such employees on such terms and conditions as it may, by order, determine.</p>			
<p><b>64VA. Sufficiency of assets.—</b>                      (1) Every insurer and re-insurer shall at all times maintain an excess of value of assets over the <b>amount</b> of liabilities of not less than fifty per cent of the amount of minimum capital as <b>stated</b> under section 6 and arrived at in the manner specified by the regulations.</p>	<p><b>64VA. Sufficiency of assets.—</b>                      (1) Every insurer and re-insurer shall at all times maintain an excess of value of assets over the <b>value</b> of liabilities, of not less than fifty per cent. of the amount of minimum <b>paid up equity</b> capital, as <b>specified</b> under section 6 and arrived at in the manner specified by the</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>(3) The Authority shall by way of regulation made for the purpose, specify a level of solvency margin known as control level of solvency on the breach of which the Authority shall act in accordance with the provisions of sub-section (4) without prejudice to taking of any other remedial measures as deemed fit:</p> <p>Provided that if in respect of any insurer the Authority is satisfied that either by reason of an unfavourable claim experience or because of a sharp increase in the volume of new business, or for any other reason, compliance</p>	<p>regulations.</p> <p>(3) The Authority shall by way of regulation made for the purpose, specify a level of solvency margin known as control level of solvency on the breach of which the Authority shall act in accordance with the provisions of sub-section (4) without prejudice to taking of any other remedial measures as deemed fit:</p> <p><b>Provided that in specifying the solvency margin, consideration may be given to the different classes and sub-classes of insurance business of an insurer:</b></p> <p>Provided <b>further</b> that if in respect of any insurer the Authority is satisfied that either by reason of an unfavourable claim experience or because of a sharp increase in the volume of new business, or for any other</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
with the provisions of this sub-section shall cause undue hardship to the insurer, it may direct that for such period and subject to such conditions as it may specify, the provisions of this subsection shall apply to that insurer with such modifications provided that such modifications shall not result in the control level of solvency being less than what is stipulated under sub-section (1).	reason, compliance with the provisions of this sub-section shall cause undue hardship to the insurer, it may direct that for such period and subject to such conditions as it may specify, the provisions of this subsection shall apply to that insurer with such modifications provided that such modifications shall not result in the control level of solvency being less than what is stipulated under sub-section (1).		
<b>101A. Re-insurance with Indian re-insurers</b> — (1) Every insurer shall re-insure with Indian re-insurers such percentage of the sum assured on each policy as may be specified by the Authority, with the previous approval of the Central Government under sub-section (2).	<b>101A. Re-insurance with Indian re-insurers</b> — (1) Every insurer shall re-insure with Indian re-insurers <b>a minimum of</b> such percentage of the sum assured on each policy as may be specified by the Authority, with the previous approval of the Central Government under sub-section (2).		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
New Clause	7A. The Authority shall promote the development of re-insurance business in the country as specified by regulations.		
<b>101B. Advisory Committee.</b> (1) The Authority with the previous approval of the Central Government shall, for the purposes of Section 101A, constitute an Advisory Committee consisting of not more than five persons having special Knowledge and experience of the business of insurance.	<b>101B. Advisory Committee.</b> (1) The Authority shall, for the purposes of Section 101A, constitute an Advisory Committee consisting of not more than five persons having special Knowledge and experience of the business of insurance.		
<b>102. Penalty for default in complying with, or act in contravention of, this Act.</b> —If any person, who is required under this Act, or rules or regulations made thereunder, —	<b>102. Penalty for default in complying with, or act in contravention of, this Act.</b> — If any person, who is required under this Act or the Insurance Regulatory and Development Authority Act, 1999 (41 of		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>(a) to furnish any document, statement, account, return or report to the Authority, fails to furnish the same; or</p> <p>(b) to comply with the directions, fails to comply with such directions;</p> <p>(c) to maintain solvency margin, fails to maintain such solvency margin;</p> <p>(d) to comply with the directions on the insurance treaties, fails to comply with such directions on the insurance treaties, he shall be liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less.</p>	<p>1999), or rules or regulations made thereunder fails to, —</p> <p>(a) furnish any document, statement, account, return or report to the Authority;</p> <p>(b) comply with the directions;</p> <p>(c) maintain solvency margin;</p> <p>(d) comply with the directions on the insurance treaties, he shall be liable to a penalty not exceeding one lakh rupees for each day during which such failure continues or not exceeding ten crore rupees, whichever is less.</p>		
102A. New provision	Whoever fails to comply with any of the provisions of this Act or the Insurance Regulatory		

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		Suggested Amendment	Justification
	and Development Authority Act, 1999 (41 of 1999), or rules or regulations made thereunder, for which a separate penalty has not been provided, shall be liable to a penalty which shall not exceed one lakh rupees for each day during which such failure continues or not exceed one crore rupees, whichever is less.		
103. Penalty for carrying on insurance business in contravention of section 103A. New Clause	If any person makes a statement, or furnishes any document, statement, account, report or return which is false and which he either knows or believes to be false or does not believe to be true, he shall be liable to a penalty not exceeding five crore rupees for each such failure.		
104. Penalty for contravention of sections 27, 27A, 27B, 27D and 27E. —	104. Penalty that may be levied by Authority for contravention of sections 27 and 27E. —		

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		Suggested Amendment	Justification
If a person fails to comply with the provisions of section 27, <b>section 27A, section 27B, section 27D</b> and section 27E, he shall be liable to a penalty not exceeding five crore rupees.	If a person fails to comply with the provisions of section 27, and section 27E, he shall be liable to a penalty not exceeding five crore rupees.		
<b>105C. Power to adjudicate.</b> — (1)For the purpose of adjudication under sub-section (2) of section 2CB, sub-section (4) of section 34B, sub-section (3) of section 40, sub-section (2) of section 41, sub- sections (4) and (5) of section 42, sub-sections (8) and (9) of section 42D, section 52F and section 105B, the Authority, shall appoint any officer not below the rank of a <b>Joint Director</b> or an equivalent officer to be an adjudicating officer for holding an inquiry in the prescribed manner after giving any person concerned a	<b>105C. Power to adjudicate.</b> — (1)For the purpose of adjudication under sub-section (2) of section 2CB, sub-section (4) of section 34B, sub-section (3) of section 40, sub-section (2) of section 41, sub- sections (4) and (5) of section 42, sub-sections (8) and (9) of section 42D, section 52F and section 105B, the Authority, shall appoint any officer not below the rank of a <b>General Manager</b> or an equivalent officer to be an adjudicating officer for holding an inquiry in the prescribed manner after giving any person		



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		Suggested Amendment	Justification
reasonable opportunity of being heard.	concerned a reasonable opportunity of being heard.		
<b>106. Power of court to order restoration of property of insurer or compensation in certain cases. —</b> (12) This section shall apply in respect of a provident society as defined in Part III as it applies in respect of an insurer	Section 106(12) is suggested to be omitted		
<b>110A. Delegation of powers and duties of Chairperson of the Authority. —</b> 110AA. New provision	110AA. The Authority may, by a general or special order, delegate to the Chairperson or any other member or any officer of the Authority, subject to such conditions, if any, as may be specified in the order, such of its powers and functions under this Act as it may deem necessary for the efficient discharge of functions of the Authority: Provided that the following functions and powers shall not be delegated, namely: —		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
	(i) power to make regulations; power to register an insurer.		
<p><b>110F. Provisions applicable to State Government, etc.-</b> The provisions of Section 3, 3A, 27B, 28B, 33, 34, Clause(a) of Section 34E; 34F, 40A, 40C, 44A, 64U to 64UM (both inclusive), 64V, 64VA, 64VB, 64VC, and 101A, 101C, 110D, 110G and 110-H shall, notwithstanding any exemption granted under Section 118, also apply, so far as may be, and in relation to the general insurance business carried on by a State Government or a Government Company as defined in Section 617 of the Companies Act, 1956 (1 of 1956).</p>	<p>The provisions of sections 3, 3A, 33, 34 clause (a) of sections 34E, 34F, 40C, 44A, 64UM, 64V, 64VA, 64VB, 64VC, and 101A, 101C, 110D, shall notwithstanding any exemption granted under section 118, also apply, so far as may be, to and in relation to the general insurance business carried on by a State Government or a Government company as defined sub section (45) of section 2 of the Companies Act, 2013.</p>		
<p><b>114. Power of Central Government to make rules. —</b> (2) In particular and without prejudice to the generality of the</p>	<p>(2) In particular and without prejudice to the generality of the</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
foregoing power, such rules may prescribe— (aaa) the conditions and manner of foreign investment under sub-clause (b) of clause (7A) of section 2;	foregoing power, such rules may prescribe— (aaa) <b>the conditions and manner of foreign investment under sub-section (2) of section 3AA;</b>		
<b>114A. Power of Authority to make regulations.—</b> (1) The Authority may, by notification in the Official Gazette, make regulations consistent with this Act and the rules made thereunder, to carry out the purposes of this Act.	<b>114A. Power of Authority to make regulations.—</b>  <b>(1A) The Authority may, specify by regulations, different provisions for different classes and sub-classes of insurance business and for different categories or types of insurers.</b> <b>(1AA) The Authority shall make specific provisions for insurers to carry on insurance business of one or more classes or sub-</b>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>(2) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely: —</p> <p>(a) manner of making application for registration <b>and documents to be accompanied</b> under sub-section (2) of section 3;</p> <p>(b) the manner of suspension or cancellation of registration under sub-section (5E) of section 3;</p> <p>(c) such fee, not exceeding five thousand rupees, as may be determined by the regulations for issue of a duplicate certificate of registration under subsection (7) of section 3; (d) such annual fee to the Authority and manner of</p>	<p><b>classes, to ensure protection of policyholders’ interest and prudent risk management.”.</b></p> <p>(a) manner of making application for registration and <b>the fee payable</b> under sub-section (2) of section (3);</p> <p><b>(aa) criteria of eligibility for different classes and sub-classes of insurance business under clause (d) of sub-section 2A of section 3;</b></p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>payment under sub-section (1) of section 3A;</p> <p>(da) such minimum annuity and other benefits to be secured by the insurer under section 4;</p> <p>(daa) determination of preliminary expenses that may be excluded for calculation of the stipulated paid-up equity capital for the insurers under sub-section (1) of section 6;</p> <p>(db) such equity capital and such forms of capital including hybrid capital required under sub-section (I) of section 6A;</p> <p>(ea) separation of account of all receipts and payments in respect</p>	<p>(ca) the manner in which and the conditions of carrying on activities and businesses by insurer related to or incidental to insurance business and of distributing financial products by insurer under section 3AB;</p> <p>(daa) the requirements of paid-up equity to commence or carry on any class or subclass of insurance business by the insurer under sub-section (1) of section (6);</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>of each classes and sub-classes of insurance business as required under sub-section (1) and sub-section (2AA) of section 10; and its waiver under the said section;</p> <p>(f)the preparation of balance-sheet, profit and loss account and a separate account of receipts and payments and revenue account under sub-section (1) of section 11;</p> <p>(g)the manner in which an abstract of the report of the actuary to be specified and the form and manner in which the statement referred to in section 13 shall be appended;</p> <p>(ga) maintenance of records of policies and claims under clause</p>	<p>(ea) separation of accounts of all receipts and payments in respect of each class or sub-class of insurance business under sub-section (1) of section 10;</p> <p>(f)the preparation of balance-sheet, profit and loss account and a separate account of receipts and payments and revenue account and other financial statements under sub-section (1) of section 11;</p> <p>(fa) qualification, experience, duties and power in relation to actuary appointed by an insurer under sub-sections (1) and (2) of section 12A;</p> <p>(g) the manner in which the report of the actuary to be submitted and the form and manner in which the statement</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>(c) of sub-section (1) of section 14;</p> <p>(gb) manner and form of issuance of policies in electronic form under sub-section (2) of section 14;</p> <p>(h) the fee for procuring a copy of return or any part thereof under sub-section (I) of section 20;</p> <p>(i) investment of assets and further provisions regarding investments by an insurer and investment by insurers in certain cases under sections 27, 27A, 27B, 27C and time, manner and other conditions of investment of assets under section 27D;</p> <p>(ia) the form in which a return giving details of investments made, time and manner including its authentication under section 28;</p>	<p>shall be appended under section 13;</p> <p>(h) the fee for procuring a copy of return or any part thereof <b>and memorandum and articles of association of insurer</b> under <b>sub-sections (1) and (3)</b> of section 20;</p> <p><b>(i) investment of assets by an insurer and time, manner and other conditions of investment of assets under section 27;</b></p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
		Suggested Amendment	Justification
<p>(ib) the loans including the loans sanctioned to the full-time employees of the insurer under clause (a) of sub-section (3) of section 29;</p> <p>(ic) the sum to be paid by the insurer to any person under section 31B;</p> <p>(id) the obligation of insurer in respect of rural or social or unorganised sector and backward classes under sections 32B and 32C;</p> <p>(ie) the minimum percentage of insurance business in third party risks of motor vehicles under section 32D;</p> <p>(j) the minimum information to be maintained by insurers or intermediary or insurance intermediary, as the case may be, in their books, the manner in</p>	<p>(ie) the minimum percentage of insurance business in third party risks of motor vehicles under section 32D <b>and exemption to any insurer, from the application of section 32D</b></p>		



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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
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<p>which such information shall be maintained, the checks and other verifications in that connection and all other matters incidental thereto under sub-section (7) of section 33;</p> <p>(ja) the form in which balance-sheets in respect of the insurance business of each of the insurers concerned and the manner in which actuarial reports and abstracts in respect of the life insurance business are to be prepared under clauses (b) and (c) of sub-section (3) of section 35;</p> <p>(jb) the manner of assessment of compensation under the proviso to sub-section (4A) of section 37A;</p> <p>(jc) the fee to be charged by the insurer under sub-section (3) of section 39;</p> <p>(jd) the manner and amount of remuneration or reward to be</p>	<p>(je) the manner and form of expenses of management <b>and action to be taken</b> under sections 40B and 40 C;</p>		

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Existing sections of the Insurance Act	Proposed amendments by DFS	Comments/ Suggestions from General Public	
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<p>paid or received by way of commission or otherwise to an insurance agent or an intermediary or insurance intermediary under section 40;</p> <p>(je) the manner and form of expenses of management under sections 40B and 40C;</p> <p>(m) the requisite qualifications or practical training or examination to be passed for appointment as an insurance agent under clause (e) of sub-section (3) of section 42;</p> <p>(o) the code of conduct under clause (h) of sub-section (3) of section 42;</p> <p>(q) the manner and the fees for issue of a licence to an intermediary or an insurance</p>	<p>(m) eligibility, qualification, and other requirements <b>under sub-section (2)</b> of section 42;</p> <p><b>clause (o) shall be omitted;</b></p> <p><b>(q) the eligibility, qualifications, fee payable, documents to be submitted, the manner and form in relation to registration of an insurance intermediary under sub-section (1) of section 42D;</b></p> <p><b>(r) the annual fee in relation to registration under sub-section (4) of section 42D;”;</b></p> <p><b>clauses (s) shall be omitted;</b></p>		

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<p>intermediary under sub-section (1) of section 42D;</p> <p>(r) the fee and the additional fee to be determined for renewal of licence of intermediaries or insurance intermediaries under sub-section (3) of section 42D;</p> <p>(s) the requisite qualifications and practical training of intermediaries or insurance intermediaries under clause (e) of sub-section (5) of section 42D;</p> <p>(t) the examination to be passed to act as an intermediary or insurance intermediary under clause (f) of sub-section (5) of section 42D;</p> <p>(u) the code of conduct under clause (g) of sub-section (5) of section 42D;</p>	<p>clauses (t) shall be omitted;</p> <p>(u) the conditions for suspension or cancellation of registration of insurance intermediary and defaults specified under sub-section (6) of section 42D;”;</p> <p>(v) the fee for issue of duplicate licence under sub-section (10) of section 42D;</p>		

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<p>(v) the fee for issue of duplicate licence under sub-section (7) of section 42D;</p> <p>(vb) the requirements of capital, form of business and other conditions to act as an intermediary or insurance intermediary under section 42E;</p> <p>(vc) the form of balance-sheet, as may be specified by the Authority under sub-section (1) of section 49;</p> <p>(x) academic qualifications and code of conduct for surveyors and loss assessors under sub-sections (1) and (2) of section 64UM;</p> <p>(xa) the period for which a person may act as a surveyor or loss assessor under sub-section (3) of section 64UM;</p> <p>(y) the manner of exclusion of certain assets under sub-section (1), the manner of valuation of</p>			

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liabilities under sub-section (2) and time for furnishing statement under sub-section (3) of section 64V; (z) the valuation of assets and liabilities under sub-section (3) of section 64V; (za) the matters specified under sub-section (1) of section 64VA relating to sufficiency of assets; (zaa) the manner of receipt of premium to be specified under sub-section (6) of section 64VB; (zab) the form, time, manner including authentication of the return giving details of solvency margin under sub-section (9) of section 64VA; (zac) the manner of opening and closing places of business under section 64VC; (zb) the matters relating to re-insurance under sections 101A and 101B;	(zbc) fee for inspection of the documents filed by an insurer with the Authority under section 119;		

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<p>(zba) the norms for surrender value of life insurance policy under sub-section (1) of section 113;</p> <p>(zc) the matters relating to redressal of grievances of policy-holders to protect their interest and to regulate, promote and ensure orderly growth of insurance industry; and</p> <p>(zd) any other matter which is to be, or may be, specified by the regulations made by the Authority or in respect of which provision is to be made or may be made by the regulations</p> <p>(3) Every regulation made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period</p>			

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<p>of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the regulation or both Houses agree that the regulation should not be made, the regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that regulation.</p>			
<p><b>115. Alteration of forms</b> The Authority may, on the application or with the consent of an insurer, not being a company, alter the forms contained in the</p>	Section 115 is omitted		

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<p>Schedules as respects that insurer, for the purpose of adopting them to the circumstances of that insurer:</p> <p>Provided that nothing done under this section shall exempt the insurer from supplying all information required under this Act so far as it is possible for the insurer to do so.</p>			
<p><b>116. Power to exempt from certain requirements –</b></p> <p>(1) The Central Government may, by notification in the Official Gazette, exempt any insurer constituted, incorporated or domiciled in any country or State outside India from any of the provisions of this Act which may be specified in the notification either absolutely or subject to such conditions or modification as may be specified in the notification.</p>	<p>The Central Government may, by notification in the Official Gazette, exempt any insurer constituted, incorporated or domiciled in any country or State outside India from any of the provisions of this Act which may be specified in the notification either absolutely or subject to such conditions or modification as may be specified in the notification.</p>		



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(2) This section shall apply in respect of provident societies as defined in Part III as it applies in respect of insurers.			
<b>117. Saving of provisions of Indian Companies Act, 1913—</b> Nothing in this Act shall affect the liability of an insurer being a company or a provident society as defined in Part III being a company to comply with the provisions of the Companies Act, 2013 (18 of 2013) in matters not otherwise specifically provided for by this Act.	Nothing in this Act shall affect the liability of an insurer being a company to comply with the provisions of the Companies Act, 2013, in matters not otherwise specifically provided for by this Act.		
<b>118. Exemptions—</b> Nothing in this Act shall apply— (a) to any trade union registered under the Indian Trade Unions Act, 1926 (16 of 1926); or (b) to any provident fund to which the provisions of the Provident Funds Act, 1925 (19 of 1925), apply; or			

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<p>(c) If the Central Government so orders in any case, and to such extent or subject to such conditions or modifications as may be specified in the order, to any insurance business carried on by the Central Government or a State Government or a Government company as defined in Section 617 of the Companies Act, 1956 (1 of 1956);</p> <p>(d) if the Authority so orders in any case, and to such extent or subject to such conditions or modifications as may be specified in the order, to—</p> <p>(i) any approved superannuation fund as defined in <b>clause (a) of section 58N of the Indian Income Tax Act, 1922 (11 of 1922);</b> or</p> <p>(ii) any fund in existence and officially recognised by the</p>	<p>(c) If the Central Government so orders in any case, and to such extent or subject to such conditions or modifications as may be specified in the order, to any insurance business carried on by the Central Government or a State Government or a Government company as defined in <b>sub section (45) of section 2 of Companies Act, 2013;</b></p> <p>(d) If the Authority so orders in any case, and to such extent or subject to such conditions or modification as may be specified in the order, to</p> <p>(i) any approved superannuation fund as defined in <b>sub section (6) of section 2 of the Income Tax Act, 1961;</b></p> <p>(ii) any fund in existence and</p>		

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Central Government before the 27th day of January, 1937, maintained by or on behalf of Government Servants or Government pensioners for the mutual benefit of contributors to the fund and of their dependants; or (iii) any mutual or provident insurance society composed wholly of Government servants or of railway servants which has been exempted from any or all of the provisions of the Provident Insurance Societies Act, 1912 (5 of 1912).	officially recognized by the Central Government before the 27th day of January, 1937, maintained by or on behalf of Government Servants or Government pensioners for the mutual benefit of contributors to the fund and of their dependants;		
<b>119. Inspection and supply of copies of published prospectus, etc.—</b> Any person may on payment of a fee of five rupees inspect the documents filed by an insurer with the Authority under clause (f) of sub-section (2) of Section 3, and	Any person may, on payment of fee as specified by regulations, inspect the documents filed by an insurer with the Authority under sub-section (2) of Section 3, and obtain a copy of any such document or part thereof on payment of fees, as specified by		

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may obtain a copy of any such document or part thereof on payment in advance at the prescribed rate for the making of the copy.	the Authority for the making of the copy.		
<p><b>120. Determination of market value of securities deposited under this Act</b></p> <p>The market value of the day of deposit of securities deposited in pursuance of any of the provisions of this Act with the Reserve Bank of India shall be determined by the Reserve Bank of India of India whose decision shall be final.</p>	Section 120 is omitted		

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