

Circular

Ref: IRDAI/NL/CIR/SIC/104/5/2023

Date: 15-05-2023

All General Insurers (Except ECGC Ltd, AIC Ltd and Stand Alone Health Insurers)

Re: Modification of Surety Insurance Guidelines

1. On the subject, the IRDAI (Surety Insurance Contracts) Guidelines, 2022 were issued vide Ref No. IRDAI/NL/GDL/SIC/01/01/2022 dated 3rd January, 2022 (hereafter referred as Surety Insurance Guidelines). Further, Circular No. IRDAI/NL/Cir/Misc/7/1/2023 dated 12th January, 2023 was issued.
2. The Authority has reviewed Surety Insurance Guidelines and makes the following revisions:
 - a. Clause 6.1 (a) replaced with the following
“Meeting the requirement of maintaining a solvency margin of not below the control level of solvency specified by the Authority. Provided that where the solvency margin of the insurer falls below the specified threshold limit at any point of time, the insurer shall stop underwriting new Surety Insurance business until its solvency margin is restored to above the threshold limit.”
 - b. Clause 6.4(d) (*“The limit of guarantee shall not exceed 30 percent of the contract value”*) is deleted
3. All other provisions of the within referred Surety Insurance Guidelines, 2022 and IRDAI Circular Ref: IRDAI/NL/Cir/Misc./7/1/2023 dated 12.01.2023 shall remain unaltered.
4. This circular shall come into force with immediate effect.

A. Ramana Rao
Chief General Manager (Non-Life)