Return/Certificates pertaining to Section VI of Chapter 3 (i.e. Investments) of Master Circular on Actuarial, Finance and Investment Functions of Insurers

**Form No. IRDAI\_RET\_18**

**1. Investment in Credit Default Swaps**

Insurer shall file quarterly report on the CDS transactions in the format prescribed below:

|  |  |
| --- | --- |
| Name of the Insurer |  |
| Quarter – Year |  |

1. Details of CDS, counter party wise

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| No | Name of the Counter Party | Tenor of CDS | FV of the underlying | Tenor of the underlying | Notional Amount | Spread (bps) | Net Position | Margin Held |
|  |  |  |  |  |  |  |  |  |

1. Details of CDS, reference entity wise

| No | Name of the reference entity | Tenor of CDS | FV of the underlying | Tenor of the underlying | Notional Amount | Spread (bps) | Net Position | Margin Held | Approved/  Other Inv. |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |

1. Details of reference assets wherein credit event occurred and status of fulfillment of commitment by the Market Maker.

**Form No. IRDAI\_RET\_19**

**2. Exposure to Interest Rate derivatives**

Quarterly report shall be submitted to the Authority in physical and soft copy for exposure of the company to Interest Rate derivatives as per **Annexure A**, if the Insurer undertakes any Interest Rate Derivatives.

**Annexure A**

|  |  |
| --- | --- |
| Name of the Insurer |  |
| Quarter- Year |  |

1. **Details of Rupee Interest Rate Derivatives, Counter party wise**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| No | Name of the Counter-party | Nature of the derivative contract (FRA/ IRS/ IRF) | Tenor of derivative contract | Notional Amount of the derivative contract | Mark to Market (Profit /loss) | Unsettled MTM (Profit /loss) | Nature of underlying | Tenor of the underlying | Face Value of the underlying, if applicable | Hedge Designation (Cash-flow / Reinvestment / interest income receivable) | PV01 of the  Underlying being hedged  (bps) | PV01 of  the derivative  (bps) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |

1. **Counterparty-wise Credit Exposure to Derivative Transactions:**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| No. | Counterparty | Notional Value of Outstanding Derivative contracts | Current Credit Exposure | Potential Future  Credit Exposure | Value of  Collateral | CSA posting limit | Type of Collateral |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |

1. **Fund wise Notional Value of Outstanding derivative transactions and the Book Value of investments**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Fund Name | Notional outstanding derivative transactions | Expected Cash Flows on underwritten Insurance Contracts | Book Value of investments | Percentage of Notional outstanding on the Book Value of Investments | Remarks |
|  |  |  |  |  |  |
| Total |  |  |  |  |  |

1. **Benchmark-wise derivative activity during the quarter :**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| No. | Nature of the derivative contract | Benchmark | Notional Amount of derivative contracts Outstanding at the beginning of the quarter | Fresh derivative contracts/ positions taken during the quarter | Derivative contracts/ positions terminated/ matured/ expired during the quarter | Notional Amount of derivative contracts Outstanding  at the end of the quarter |
|  | FRA | MIBOR/ OIS |  |  |  |  |
|  | FRA | INBMK |  |  |  |  |
|  | IRS | MIBOR/ OIS |  |  |  |  |
|  | IRS | INBMK |  |  |  |  |
|  | IRF | GOI |  |  |  |  |

**Form No. IRDAI\_RET\_20**

3. **Exposure to Companies participating in JLF**

Insurers shall file, along with Quarterly Periodical Returns to IRDAI the information, as under. Also, Insurers shall make necessary disclosure in Notes to Accounts of Financial Statements.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| No | Name of the Entity | Date of Insurers entry into JLF | Exposure as on the date of Insurers entry into JLF | Additional Exposure as decided in JLF | % of exposure in excess of IRDAI (Inv) Regulations | Date of Approval by the Insurers Board | Comments of Board on Additional Exposure permitted |
|  |  |  |  |  |  |  |  |

**Form No. IRDAI\_RET\_21**

**4 Investments in AIF.**

**The Insurers shall submit a quarterly return for investments in AIF as per the following format within 45 days of the end of quarter.**

Annexure AIF

Name of the Insurer--------------

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Name of the AIF | Date of Investment | Amount (Rs. In Crore) | Number of Units | Status of the Fund (existing/ceased) | Any Rollover (Amount Rs. In crore) | Date of Rollover | Authorization for Rollover | NAV of Investment as on ----(Rs. In crore) |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |

**Form No. IRDAI\_RET\_27**

**5 State wise investments.**

Insurers are required to file on quarterly basis along with the returns in soft copy, the information pertaining to investments made in each of the states and union territories in the following format.

State wise Investments as on Quarter Ended ----------

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Nature of Investments in the State/UT. | State 1 | State 2 | UT 1 | UT2 | Total |
| State Govt. Securities |  |  |  |  |  |
| Investment in the Bonds/Equity of State PSUs |  |  |  |  |  |
| Specify Others if any |  |  |  |  |  |
| Total |  |  |  |  |  |

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**Form No. IRDAI\_RET\_22**

**Compliance Certificate with respect to Exposure/Prudential and Other Investments Norms.**

Insurer has to file a compliance certificate on quarterly basis within 45 days from the end of the quarter to the Authority in the below format. Such form shall confirm whether the exposure/prudential and other investment norms are complied

FORM 4

**EXPOSURE / PRUDENTIAL AND OTHER INVESTMENT NORMS – COMPLIANCE CERTIFICATE**

**PART A**

*Insurer Name and Code:*

*Date: as at: ................*

| ***Section*** | ***Norms*** | ***Exposure / Other Norms as per Regulation*** | ***Are the required Norms complied? (Yes / No)*** | ***Remarks*** |
| --- | --- | --- | --- | --- |
| **A. “EXPOSURE” COMPLIANCE - ALL INSURERS** | | | | |
| I | ***Investee Company*** *Exposure* | * 1. *Investment in equity, preference shares, convertible debenture:-*   *Exposure at any point of time did not exceed 10% of paid up equity Share Capital* ***or 10% of the amount*** *under1(i)(a) or 1(i)(b) or 1(i)(c) [segregated fund] above considered separately in the case of Life insurers /amount under* 1(ii) or 1(iii) or 1(iv) *in the case of General Insurer including an insurer carrying on business of re-insurance or health insurance of Clause 8 of the Regulation,* ***whichever is lower.***  *[In case of Infrastructure Co, the limit of 10% shall be read as 20%. Where the investment assets of the insurer is Rs. 250000 Crores or more, the limit of 10% shall be read as 15% of paid up equity Share Capital* ***or*** *where the investment assets of the insurer is more than Rs.50000 Crores but less than Rs 250,000 Crores the limit of 10% shall be read as 12% of paid up equity Share Capital.*  ***Note:*** *In the case of life insurers, exposure norms for a segregated fund shall not be applicable for either the first six months from the date of its launch or the segregated fund reaches the size of Rs.5 Crores, for the first time, whichever is earlier.*   * 1. *Investment in Debt (including CPs)/ loans and any other permitted Investments as per Act / Regulation, other than ‘Equity’, Preference Shares, Convertible Debentures:-*   *Exposure at any point of time did not exceed 10% of the paid-up share capital, free reserves (except revaluation reserve) and debenture / bonds (including CPs) of the investee company or 10% of amount under Clause 8 under point 1(i)(a) or 1(i)(b) or 1(i)(c) [segregated fund] above considered separately in the case of Life insurers /amount under* 1(ii) or 1(iii) or 1(iv) *in the case of General Insurer including an insurer carrying on business of re-insurance or health insurance.*  ***whichever is lower****.*  *[In case of Infrastructure Co, the limit of 10% shall be read as 20%. Where the investment assets of the insurer is Rs. 250000 Crores or more, the limit of 10% shall be read as 15% of paid up equity Share Capital, free reserves(excluding revaluation reserve) and debenture/bonds* ***or*** *where the investment assets of the insurer is more than Rs.50000 Crores but less than Rs 250,000 Crores the limit of 10% shall be read as 12% of paid up equity Share Capital, free reserves(excluding revaluation reserve) and debenture/bonds.*  ***Note:*** *In the case of life insurers, exposure norms for a segregated fund shall not be applicable for either the first six months from the date of its launch or the segregated fund reaches the size of Rs.5 Crores, for the first time, whichever is earlier.*  *3. Has the maximum exposure under limit for a single underlimt for a single ‘ Investee’ company from all investment assets (Equity/Preference Shares/Convertible Debentures/Bonds/CPs/Loans and any other permitted debt investments as per Act/Regulations) are with limit prescribed in Clasue 8(2) of Schedule III of the Regulations( in case of Infrastructure Co. the limit of 10% shall be read as 20%)?*  *4.Has exposure taken based on guarantees of another entity, is considered as a part of exposure to the “Investee Company”?*  *5.Has debt investments made in infrastructure SPV have complied with the limits, terms and conditions in the Note IV of Clause 8?*  *6.Have all the negative deviations reported in Form 4A(Part A)* |  |  |
| II | *Limit for the entire* ***Group*** *of the Investee Company* | *Has total investments made in entire* ***“Group of the Investee Company****” is not exceeding:*  *15% of the amount under Clause 8 under point 1(i)(a) or 1(i)(b) or 1(i)(c) [segregated fund] above considered separately in the case of Life insurers /amount under* 1(ii) or 1(iii) or 1(iv) *in the case of General Insurer including an insurer carrying on business of re-insurance or health insurance respectively.*  ***Note:*** *In the case of life insurers, exposure norms for a segregated fund shall not be applicable for either the first six months from the date of its launch or the segregated fund reaches the size of Rs.5 Crores, for the first time, whichever is earlier.* |  |  |
| III | **Promoter Group Company** | *Has total investments made in all* ***“Companies falling under Insurer’s Promoter Group”*** *is:*   1. *not more than 5% in aggregate of its investment assets in all companies belonging to the promoters’ group.* 2. *not made investments in any companies belonging to the promoters’ group by way of private placement* 3. *not made any investment in unlisted instruments [equity & debt, certificate of deposits and fixed deposits held in a Scheduled Bank], except for companies formed by Insurers under Note XII to Clause 8.* |  |  |
| IV | **Industry sector** | *Has investment made by the insurer in any industrial sector [****except*** *Financial and Insurance Activities sector as per National Industrial Classification (All Economic Activities) - 2008]:*   1. *not exceeding 15% of the amount under Clause 8 1(i)(a) or 1(i)(b) or 1(i)(c)[at segregated fund level]****considered separately****)of the Regulations in the case of life insurer /an amount under Clause 8* 1(ii) or 1(iii) or 1(iv) *of the Regulations, in the case of General Insurer including an insurer carrying on business of re-insurance or health insurance.* 2. *Has the investment made by the insurer in* ***Financial and Insurance Activities*** *sector as per National Industrial Classification (All Economic Activities) – 2008 not exceeded* ***30%*** *of its total investment assets?* 3. *Has the insurer considered investments in (a) Housing Financing Companies and (b) Infrastructure Financing Companies as a part of exposure to financial and insurance activities (as per Section K of NIC classification – 2008)?*   ***Note:*** *investment in bonds / debentures of HUDCO, NHB* ***and*** *bonds**issued by Housing Finance Companies having a rating of not less than* ***AA****,* *investment in equity shares of any actively traded Housing Finance Company on which not less than ten percent dividends have been paid for at least 2 Financial years out of immediately preceding 3 consecutive Financial years* ***and*** *investment in* ***Debt, Equity*** *in* ***dedicated*** *infrastructure financing entities forming part of Infrastructure sector are exempt from the above provision.*   1. *Is the classification of industrial sectors been done on the lines of National Industrial Classification (All Economic Activities) - 2008 [****NIC****] for all sectors,* ***except “infrastructure and Housing sector”.*** 2. *Has exposure been calculated at* ***Division*** *level from A to R of [NIC (All Economic Activities) – 2008] Classification for all sectors other than infrastructure sector?* 3. *Has exposure been calculated for* ***Financial and Insurance Activities*** *sector at* ***Section*** *level [of NIC (All Economic Activities) – 2008]?* 4. *Has no exposure been made into any sector falling beyond Section R [of NIC (All Economic Activities)– 2008]?*   ***Note:*** *In the case of life insurers, exposure norms for a segregated fund shall not be applicable for either the first six months from the date of its launch or the segregated fund reaches the size of Rs.5 Crores, for the first time, whichever is earlier.* |  |  |
| V | **Rating Criteria** | 1. *Are investments under ‘Approved Investments’ made only in rated instruments, if such instruments are capable of being rated?* 2. *At the time of* ***purchase****, are Corporate Bonds rated below AA (A+ with the prior approval of the Board of the Insurer) or its equivalent and A1 or equivalent (in case of short term instruments) classified under “Other Investments”?* 3. *Are instruments* ***downgraded*** *below the minimum rating prescribed under Regulations, as amended from time to time, reclassified under “Other Investments” through an* ***automated System****?* 4. *Are ‘Debt’ instruments (including Central Govt, State Govt Securities and Other Approved Securities) - fund wise, in the case of life insurer (including ULIP funds at segregated fund level) and Investment Assets in the case of General Insurer including an insurer carrying on business of re- insurance or health insurance - have a minimum rating of Sovereign debt, AAA or equivalent rating for long term and Sovereign, A1+ or equivalent for short term instruments, not less than 75%(Life Insurer)/65% (General Insurer including an insurer carrying on business of re-insurance or health insurance)?*   ***Note:*** *In calculating the 75% in the case of Life insurers and 65% in the case of General Insurer including an insurer carrying on business of re- insurance or health insurance, of investment in ‘Debt’ instruments, investment in (a) Reverse Repo with corporate bond underlying (b) Bank Fixed Deposit (c) Investment in Promoter Group Mutual Fund(s) and un-rated Mutual funds, shall not be considered.*   1. *Are ‘Debt’ instruments (including Central Govt Securities, State Govt Securities and Other Approved Securities) – fund wise, in the case of life insurer (including ULIP funds at segregated fund level) and Investment Assets in the case of General Insurer including an insurer carrying on business of re- insurance or health insurance – have a rating of A or below or equivalent rating for long term, are not more than 5% (8% in the case of General Insurer including an insurer carrying on business of re- insurance or health insurance)?* 2. *Are all Debt investments made through Private Placements, rated not less than AA?* 3. *Are exposure in Housing Finance companies, in excess of amount under Clause 8 [complying with provisions under Note XIII to Clause 8] have a rating of not less than AA+?* |  |  |
| VI | **Others** | 1. *No building, used by the insurer for ‘self-use’ is classified as ‘investment property’ and are not part of ‘investment assets’ as derived in FORM 3A (Part A) / Form 3B (Part A)* 2. *Has the insurer made any investment in a* ***subsidiary*** *or* ***associate*** *company? If the answer is ‘yes’ provide details in FORM 4A (Part B)*    1. *Does the subsidiary / associate companies referred in point (2) above, does insurance or re- insurance or health insurance business?*    2. *Does the business of the subsidiary / associate (referred in point (i) above) of the insurer, does the same line of insurance business, as that of the insurer (holding company)?* 3. *Have investment in FDs, not exceeded either 3% of controlled fund or not more than 5% of respective fund size [Pension & General Annuity Fund and Unit linked fund(s) at SFIN level], whichever is lower, in the case of Life Insurers and 15% of Investment Assets as per Regulation 2 (dd) (2) in the case of General Insurer including an insurer carrying on business of re-insurance or health insurance* 4. *Has the insurer complied with the empanelment / review of investment broker norms, as per the Board approved criteria and Circulars / Guidelines issued by the Authority?* 5. *Has the Insurer,* ***during the quarter****, invested outside India? If yes,*    1. *has the insurer done the Actuarial Valuation to identify shareholders funds and policyholders funds?*    2. *has the insurer filed the Actuarial Valuation, with the Authority?*    3. *does both shareholders and policyholders funds have separate sub-custody account?*    4. *does both shareholder and policyholder funds have identified ‘scrips’ at sub-custodian level?*    5. *has the investments done outside the country made ONLY from shareholder funds, held in a separate sub-custody account?* |  |  |
| **B. “CONFIRMATIONS” - ALL INSURERS** | | | | |
| VII | **Confirmations** | 1. **CONFIRMATION ON POLICY / SYSTEMS & PROCEDURE**    1. *Has the Insurer complied with the provisions of Section 27, 27A, 27B and 28 of the Insurance Act, 1938*    2. *Has the software application for Investment Operations, been fully automated* ***without*** *manual intervention in calculating the exposure norms of Investee Company, Group, Promoter Group and Industry Sector, as per the various slabs of ‘investment assets’ provided under Clause 8 of Regulations?* 2. *Is the Constitution of the Investment Committee of the Insurer in full compliance with the requirements mentioned under Regulations?* 3. *Was none of the functions of the insurer relating to Investment Operations falling either under Front / Mid / Back Office, (covering both Shareholders and Policyholders Investments), outsourced (except to the extent permitted under the Master Circular issued by the Authority, with respect to Outsourcing of Investment Advice and NAV Calculation) including its verification?* 4. *Is Audit Committee headed by an individual, as per the IRDAI Corporate Governance Regulations/ Circulars?* 5. *Whether Audit Committee and Investment Committee have no common Chairman?* 6. *Has the Board of the Insurer appointed a Custodian, who is not an entity under its promoter ‘Group’, unless permitted otherwise by the Authority, to carry out the custodial service for its investments operations?* 7. *Has the Insurer filed application for public listing in line with Regulations issued by the Authority?* 8. *If “yes”, for point no. 8 above, whether the General Insurer including an insurer carrying on business of re-insurance or health insurance, had split its funds between Shareholders and Policyholders as per the Circular / Guidelines issued by the Authority?* 9. *Have periodical Investment Returns to be filed for the Quarter, prepared in full compliance with the “****Guidance Note on preparation of Investment Returns”*** *issued by IRDAI?* 10. *Have amendments to the Investment Policy, been approved by the Board of the Insurer?* 11. *Has the model code of conduct, to prevent insider / personal trading (as required under SEBI (Insider Trading) Regulations, 1992, as amended from time to time) of officers involved in Investment Operations, including front, mid and back office,* ***as approved by the Board,*** *been implemented? If so:*     1. *Does it cover Officers involved in Investment Operations at various levels?*     2. *Does the code of conduct cover each Officer in such level?*     3. *Has the Board been informed of compliance or otherwise to model code of conduct* ***during the Quarter****?*     4. *Has the Concurrent Auditor issued his Audit Report of previous Quarter, without any qualification on aspects of model code of conduct implemented by the Insurer?*     5. *Where breach of model code of conduct, if any, reported during the previous Quarter, been dealt properly and appropriate action as recommended by Audit Committee/ Board been taken?* 12. *Does the segregation of front, mid and back office – are as per Guidance note on Internal / Concurrent Audit of Investment functions of Insurance Companies issued by the Institute of Chartered Accountants of India?* 13. *Have* ***all*** *non-compliance reported in the Chartered Accountant’s certificate issued (as per the Guidance note on Investment Risk Management Systems & Process of Insurance Companies, by ICAI) on the* ***‘status’*** *of implementation of Investment Risk Management Systems and Process been implemented as per timelines committed to IRDAI?* 14. *Has the Internal /Concurrent audit Report of the* ***previous Quarter*** *with the comments of Audit Committee of the Board, on ‘very serious’, ‘serious’ points (as per the Guidance note on Internal / Concurrent Audit of Investment functions of Insurance Companies, issued by the Institute of Chartered Accountants of India) in the report, and status of implementation of Audit committee recommendations been placed before the Insurer’s Board,* ***as a part of the Agenda****, during the current quarter?* 15. *Have the Audit Report of the previous Quarter along with Audit Committees recommendation and its implementation status filed with the Authority along with these returns?* 16. *Has the insurer in calculation of solvency margin, excluded funds held beyond required solvency margin, subject to other provision of the Act?* 17. *Have the increase during the quarter, in Shareholders’ funds (other than income from shareholders’ investments, maintained in a separate custody account) held beyond solvency margin requirement, is supported by Actuarial Valuation* ***certified*** *by the* ***Appointed Actuary****? [annex a copy of Appointed Actuary’s Certificate to this return]* 18. *Has the Board, during the previous Quarter, reviewed (both life and non-life insurers) the performance of investments?[****the review in the case of life insurers should cover both Non-Linked and Linked funds [SFIN] level****]* 19. *Has the Insurer placed before the Board, as a part of the Agenda, the minimum information specified in Circular / Guidelines issued by the Authority (on points 15 and 16 above) on performance of investments and performance of products?* 20. *Has the Insurer placed before the Board, as part of the Agenda the following:*     1. *All investments made out of Controlled Fund / assets falling under “Other Investments”?*     2. *All investments made in “All India Financial Institutions, recognized as such by RBI, carrying a rating of less than AA and classified as Approved Investments?*     3. *Details of Analysis, review of NPA details are part of Agenda?* 21. *Has the Standard Operating Procedure* ***(SOP)*** *approved by the Investment Committee of the Insurer?* 22. *Does the* ***SOP****, for each ‘category of investment’ is same* ***across all fund(s)?*** 23. *Does SOP of the Insurer, for “each” Category of Investment, (as per Guidelines as amended from time to time, issued by the Authority) provide individual activities to be carried out in Front, Mid and Back office?* 24. *Have all investments made (100%) followed the IC approved SOP?* 25. *Does the Investment made during the Quarter, are* ***within*** *the exhaustive ‘Categories of Investments’ prescribed under Guidelines as amended from time to time?* 26. *Has the Insurer during the Quarter taken Derivative position in interest rate derivatives or Credit default swap?* ***If Yes****:*     1. *Has the Derivative Policy been approved by the Board of the Insurer?*     2. *Has the insurer implemented a* ***fully automated and integrated system*** *between (1) Policy Admin System, (2) Accounting System and (3) Investment System?*     3. *Has the Insurer, filed with the Authority, the certificate issued by the Chartered Accountant, appointed for “Certification of Investment Risk Management Systems and Processes”,* ***before taking any exposure to derivatives****?*     4. *Has the Concurrent Auditor, confirmed the compliance to point (c) above, to Audit Committee / Board of the Insurer?*     5. *Has the derivative position, to be hedged, with respect to:*        1. *‘Cash flow’ been identified with ‘individual’ product with associated UIN number?*        2. *‘Re-investment risk’ been identified with ‘individual’ debt security?*     6. *If so, is there a process to identify the risk to be* ***hedged*** *[‘fund-wise’ in the case of Life Insurers]?*     7. *Does the notional value of the derivative is lesser than the book value of the respective fund?*     8. *Where the ‘hedge’ is* ***not effective****, has it been reflected in the* ***Profit & Loss Account****?* 27. *Does such derivative position comply with IRDAI Guidelines?* 28. *Has the Chief Risk Officer, in his quarterly report to the Board of the Insurer, reported the compliance to all points (a to i)?* 29. *Has the Insurer filed the regulatory information / returns required under the Guidelines issued?* 30. *Are investment made in “investment property” covered under Note VI of Clause 8 of Regulations, at the time of investment, 5% of investment assets [as per FORM 3B (Part A)], in the case of General Insurer and within 5% of Life fund [as per FORM 3A (Part A)].* 31. *Are investments in equity shares through IPO, Mutual fund, Venture fund, SEBI approved Alternate Investment Funds, Corporate Bond Reverse Repo, IDF (as per Note II to Clause 8) Perpetual Debt instruments of Bank’s Tier-I (Basel II) Capital and Debt Capital instruments of Bank’s Upper Tier-II Capital, made in compliance with the relevant circulars issued in this regard from time to time?* 32. *Are investments in asset backed securities, PTC, SRs both under Approved and Other investment category, made within 10% of respective funds in case of Life Companies and 5% of Investment assets in case of General Insurer including an insurer carrying on business of re-insurance or health insurance companies.* 33. *Are any securitized assets with underlying housing or infrastructure assets, if downgraded below AA or equivalent reclassified as Other Investments* 34. **CONFIRMATION ON INVESTMENT OPERATIONS / EXPOSURE**     1. *Has Shareholders funds been split Funds Representing Solvency Margin (FRSM) in FORM 3A (Part A) / FORM 3B (Part A)?* 35. *If funds are split as per point 1 above, between FRSM and Balance, have the same been maintained in separate custodian account with identified ‘scrips’ for both Life and General Insurer including an insurer carrying on business of re-insurance or health insurance companies and reconciled with FORM 3A (Part A) / FORM 3B?* 36. *Whether the funds held in business, beyond solvency margin, have not been considered in the calculation of Solvency Margin?* 37. *Does all investments in assets or instruments which are capable of being rated (except Fixed Deposits with Scheduled Banks) are made based on ‘instrument’ rating and* ***NOT*** *based on Investee ‘Company’ rating?* 38. *(a)Have Investments in debt instruments rated AA- or below classified under Other Investments?*   *(b) Have Investments in Infrastructure debt instruments rated below A or EL1 classified under Other Investments?*   1. *Are Investments made in a Public Limited Special Purpose Vehicle (SPV) engaged in infrastructure sector is within 20% of the project cost (or) amount under Clause 8(2) (a), whichever is lower?* 2. *If answer to point above is ‘yes’, have all the requirements mentioned under Note IV to Clause 8 have been complied?* 3. *Are investments made in Mortgaged Backed Securities [MBS] / Assets Backed Securities [ABS] complied with the requirements of Note V to Clause 8?* 4. *Are all listed equity shares, forming part of Approved Investments, fulfill the requirement of dividend criteria, as specified in Clause 2(1)(v)?* 5. *Are all thinly traded equity (as per SEBI norms) classified as “Other Investment”?* 6. *Does the Primary Data Server of the Computer Application used for Investment Management, maintained within the Country?* 7. *Has the insurer, reconciled investment accounts, from each fund in the case of non-unit linked business, and General Insurer including an insurer carrying on business of re-insurance or health insurance business, with custodian records, on a day-to-day basis?* 8. *Has the insurer, apart from the credit rating evaluated by the rating agencies, carried out their own risk analysis commensurate with the complexity of the product(s) and the materiality of their holding for every investment made?* 9. *Has the insurer maintained separate custody account with identifiable securities for participating and non-participating investments, at fund level?* |  |  |
| **C. CONFIRMATION - “LIFE” INSURERS** | | | | |
| VIII | **Confirmations** | **A. CONFIRMATION ON POLICY / SYSTEMS / PROCEDURE**   1. *Has the life insurer, in the case of ULIP business reconciled, through the system, the premium received (net of charges and benefits paid) under each product (Unique Identification Number – UIN wise) with value of all the segregated fund(s) (Segregated Fund Identification Number – SFIN wise) net of fund management charges, held under a single UIN, on a day to day basis, during the quarter, as per Form D01?* 2. *Has the life insurer, through a portal, enabled the policyholder, to access through a secured login, his Statement of Product Value, as per Form D02?* 3. *Has the life insurer, disclosed in its website the minimum information, of monthly ULIP portfolio disclosure, as per guidelines / circular issued by the Authority?* 4. *Is there a fully automated system to generate, on a* ***day to day basis****, Form 3A - Part E (Investment Details of ULIP Products to Segregated Funds)?* 5. *Has the life insurer disclosed fund wise NAV (SFIN wise) on the Insurer’s website and life council website* ***on the same day****?* 6. *Have* ***NO*** *investments in Immovable Properties been made out of ULIP Funds?*   **B. CONFIRMATION ON INVESTMENT OPERATIONS / EXPOSURE**   1. *Do* ***each*** *‘Segregated fund’ [SFIN] have underlying ‘Scrips’, identified up to Custodian level?* 2. *Has ‘each’ purchase and sale of Investments,* ***as mentioned in the Deal Slip****, been identified with respect to* ***‘each’*** *fund /* ***‘segregated fund [SFIN]’*** *in respect of ULIP funds?* 3. *Has inter fund transfer, been done as per the provisions of Master Circular issued between ULIP funds during Market Hours, for Equity and Debt at the prevailing price and not based on broker quote?* 4. *With respect to* ***‘each’*** *Segregated Fund [including Discontinued Policy Fund* ***(DPF)****] in the case of ULIP business, whether reconciliation of* ***“Units”*** *have been made, between Policy Admin System* ***(PAS)*** *and Investment Accounting Systems through a* ***fully automated system*** *using* ***process integrators*** *to ensure seamless data transfer without manual intervention?* 5. *Has the insurer, reconciled investments, fund-wise, with bank and custodian records on ‘day-to-day basis for ‘each’ segregated fund [SFIN]?* 6. *Has valuation of investments of ‘each’ fund (including ULIP), done as prescribed in IRDAI (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024?* 7. *Is there any shortfall/deficit in meeting the Discontinued Policies Fund (DPF) liabilities?* 8. *If the answer to above point is ‘Yes’, has the Insurer provided for such shortfall / deficit on a quarterly basis?* 9. *Has NAV of each segregated fund [SFIN] been audited before its declaration by Internal / Concurrent Auditor on a day-to-day basis (on T+0 basis)?* 10. *Has the Insurer floated any new fund during the quarter?* 11. *If the answer to point above is ‘yes’, has the provisions of “Segregated Fund Creation” as per the Master Circular complied with?* 12. *Does every fund [(a) Life fund, (b) Pension, Annuity & Group fund (c) Unit linked segregated fund(s) SFIN wise] has an identifiable fund manager?* 13. *Whether the Fund manager is not common between Life fund, Pension & Group fund (b) Unit linked funds?* 14. *Has the insurer reduced fund management charge, charged by Mutual Fund, Exchange Traded Fund from the total Fund Management Charges charged on the segregated fund as per the product conditions.* 15. *Whether no investments have been made in Alternate Investment funds from ULIP funds?* 16. *Has the insurer, unless specifically permitted by the Authority, not made any investment in any entity not formed under laws relating to companies in India or a company formed under section 8 of the Companies Act, 2013 or erstwhile Section 25 of the Companies Act, 1956?* 17. *Whether the insurer has not made any investment in Fund of Funds or a fund for which NAV is not available on a daily basis?* 18. *Has the insurer created an SFIN for Unclaimed Amount of claimants? Is ‘Yes:*     1. *Is the SFIN of “Unclaimed Amounts of Policyholders” cleared by IRDAI?*     2. *Has monies of Unclaimed Amounts of Policyholders, under (1) Life business (2) Pension and General Annuity business and (3) ULIP Business, shall be disclosed in a* ***single separate*** *“Unclaimed Amounts of Policyholders” and NOT shown as part of Investment Assets?*     3. *Has the insurer shown “Unclaimed Amounts of Policyholders” as part of Current Assets in the Balance Sheet?* 19. *Has “Unclaimed Amounts of Policyholders” invested in Money Market Instruments (as defined in the Regulations and / or Fixed Deposits of Scheduled Banks?* 20. *Has the insurer’s “Unclaimed Amounts of Policyholders” (at individual claimant level) linked to Policy Admin System?* 21. *Has the insurer declared NAV of the SFIN of “Unclaimed Amounts of Policyholders” as per Schedule I of the Regulations and guidelines issued there under?* |  |  |

**CERTIFICATION**

Certified that the information given herein is correct and complete and nothing has been concealed or suppressed.

|  |  |  |  |
| --- | --- | --- | --- |
| **Signature:…………**  **Chief Executive Officer**  **Date** | **Signature:……… Chief of Finance** | **Signature:……. Chief of Investments** | **Signature:…………**  **Chief Risk Officer** |

**Other Miscellaneous Certificates**

**Form Nos. IRDAI\_RET\_23**

The Insurer on a quarterly basis, obtain a certificate issued by the Concurrent Auditor on the compliance of the conditions specific to investments in AIF and file the same along with quarterly periodical returns.

**Form Nos IRDAI\_RET\_24**

The Investment Risk Management Systems and Process shall be reviewed once in two financial years or such shorter frequency as decided by the Board of the Insurer (the gap between two such audits should not be more than two years), by a Chartered Accountant firm and file the certificate issued by such Chartered Accountant, with the Authority along with the first quarter returns.

**Form Nos IRDAI\_RET\_25**

Exposure to CDS:

* + 1. The concurrent Auditor shall confirm that the requirements prescribed for undertaking CDS transaction have been incorporated in the investment policy, before taking any exposure to CDS. Such Certificate of the Concurrent Auditor, shall be filed with the Authority.
    2. The Concurrent Auditor shall in his Quarterly certification confirm that all CDS transactions, complies with the norms prescribed by RBI and IRDAI.

**Form No. IRDAI\_RET\_26**

Exposure to Interest Rate Derivatives: Before taking any exposure to Interest Rate Derivatives, the Insurer shall file a Certificate issued by the Concurrent Auditor, and the Concurrent Auditor shall certify that the Insurer had implemented the minimum integrated automated Systems and Process, as required under the guidelines on Interest Rate Derivatives.

**Form No. IRDAI\_RET\_28**

Certification by Concurrent Auditor on conditions with respect to SFIN creation.