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INSURANCE REGULATION NEWSLETTER (JANUARY TO JUNE 2023)

In this newsletter, we look at certain key regulatory and judicial developments during the first half of 2023 (January - June) for the insurance sector in India, including key regulatory and other measures notified by the Insurance Regulatory and Development Authority of India ("**IRDAI**").

Market bulletin

Key market developments in the first half of 2023 included the following:

- As of June 30, 2023, the total number of registered life insurers in India was 26. This included new entrants, Acko Life Insurance Limited, Credit Access Life Insurance Limited and Go Digit Life Insurance Limited.
- For the six months ended on June 30, 2023 and compared to the six months ended on June 30, 2022, the non-life insurers and health insurers saw a growth of 16.49% and 26.53%, respectively, in their gross direct premium income underwritten.[1] However, during the quarter ended June 30, 2023, as compared to the same quarter last year, life insurers saw a decline of 0.9% in their premium collected.[2]
- In June this year, HDFC Limited acquired an additional 0.5097% equity stake in HDFC Ergo General Insurance Company Limited, for an undisclosed amount and an additional 0.69% equity stake in HDFC Life Insurance Company Limited for a reported consideration of INR 1 billion (~USD 121 million), thereby increasing its aggregate equity holdings in these companies to 50.5% and 49.3%, respectively.
- In April, Girnar Insurance Brokers Private Limited ("**InsuranceDekho**"), an insurtech platform owned by Girnar Software Private Limited ("**CarDekho**"), acquired Verak, a Mumbai-based insurance distribution network firm for small and medium enterprises. for an undisclosed consideration.
- In March, Go Digit General Insurance Limited ("**Go Digit**") filed a revised draft red herring prospectus with the Securities and Exchange Board of India ("**SEBI**"). The revised document was filed after Go Digit converted its stock appreciation rights plan for employees to a stock option plan, which was reportedly done due to certain concerns raised by SEBI with the earlier plan.
- In February, Goldman Sachs Asset Management and TVS Capital Funds led an INR 12 billion (~ USD 150 million) investment, together with Investcorp, Avataar Ventures and LeapFrog Investments, in InsuranceDekho. This was reportedly the largest series A funding round in an insurtech startup in India.

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1. General Insurance Council of India, Monthly business statistics, available at https://www.gicouncil.in/statistics/industry-statistics/segment-wise-report-on-homepage/; last accessed on June 30, 2023.
2. Life Insurance Council of India, Monthly business statistics, available at https://www.lifeinscouncil.org/industry%20i nformation/NewBusinessPerformance; last accessed on June 30, 2023.

IRDAI issues revised guidelines on foreign reinsurers

Foreign reinsurers can now obtain their Filing Reference Number ("**FRN**") from the IRDAI with a 3 year validity period and need not apply every year to renew their FRNs. This relaxation was introduced by the IRDAI through revised guidelines issued in January.[3]

An FRN is required by any foreign reinsurer that wishes to underwrite reinsurance in India without establishing a formal place of business. Such foreign reinsurers must also satisfy the eligibility criteria prescribed by the IRDAI, which includes maintaining the required solvency margin or capital adequacy requirements prescribed in their home jurisdiction, a minimum BBB credit rating from S&P or equivalent rating from an international credit rating agency and their home jurisdiction having signed a double taxation avoidance agreement with India.

However, under the revised guidelines, to obtain an FRN with the longer, 3- year validity period, foreign reinsurers need to satisfy additional criteria, including a minimum A- credit rating from S&P or other international credit rating agency.

No changes to the list of systemically- important insurers

Life Insurance Corporation of India, General Insurance Corporation of India and New India Assurance Company Limited continue to be classified as 'Domestic Systemically Important Insurers' ("**D-SIIs**"). This was confirmed by the IRDAI through a press release issued in March this year.[4]

D-SIIs, in basic terms, are insurers that are deemed 'too big to fail' and were first identified as such by the IRDAI in September 2020, based on certain guidance provided by the IRDAI's committee on D-SIIs and certain methodology recommended by the International Association of Insurance Supervisors (an international standards-setting body) for identifying D-SIIs.[5]

The IRDAI identifies D-SIIs through four parameters, which are based on total revenue, extent of global operations, substitutability of products and/ or operations, and interconnectedness through counterparty and macroeconomic exposure.

D-SIIs in India are subject to additional regulatory supervision and need to follow higher standards of corporate governance. In particular, they need to submit peer review reports as part of their annual actuarial valuation and quarterly asset and liability management returns; requirements that other insurers are generally exempted from.

Continuation of rationalization of filing requirements

In January this year, continuing the process of rationalizing filing requirements for Indian insurance companies, the IRDAI discontinued certain reinsurance returns[6] with immediate effect.[7] Our previous newsletters have discussed similar relaxations previously notified by the IRDAI.[8]

Further changes to surety insurance guidelines

Earlier this year, in January, the IRDAI notified the following changes in relation to its surety insurance guidelines:

i. coverage extended to "commercial surety and contract surety requirements" (previously, only surety insurance contracts for infrastructure projects were covered); and

ii. the cap for maximum premium chargeable in a financial year (10% of annual total gross written premium and INR 5 billion (~ USD 60.4 million)) as prescribed under the guidelines, is not applicable to mono-line surety insurance companies.[9]

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3. IRDAI Circular on Guidelines on issuance of File Reference Number (FRN) to Cross Border Re-insurers dated January 03, 2023, available at https://irdai.gov.in/document- detail?documentId=1640570; last accessed on June 30, 2023.
4. IRDAI Press release on List of Domestically Important Insurers, dated March 31, 2023, available at https://irdai.gov.in/document- detail?documentId=3226997; last accessed on June 30, 2023.
5. IRDAI Committee on Domestically Systemically Important Insurers (D-SIIs), Press release ref no. IRDA/F7A/ORD/MISC/017/01/2019, dated January 23, 2019, available at https://irdai.gov.in/document- detail?documentId=390580 and IRDAI's Press release on D-SIIs dated September 24, 2020; last accessed on June 30, 2023.
6. The following forms have been discontinued with immediate effect: (i) form 1.1 – Summary of reinsurance treaties; (ii) form LR-2 – Particulars of surplus treaty; (iii) form LR-4 – Particulars of quota share treaty; (iv) form LR-6 – Particulars of excess of loss cover/ catastrophe treaty; (v) form LR-9 – Date uploading format for reinsurance rate data; (vi) statement 1 – Statement of reinsurance statistics; (vii) statement 2 – Reinsurance details – In force; and (viii) statement 3 – Reinsurance details – Withdrawn.
7. IRDAI Circular on Submission of Reinsurance Returns, dated January 3, 2023, available at https://irdai.gov.in/document- detail?documentId=1640469; last accessed on June 30, 2023.
8. See page 5 of our previous newsletter for June- December 2022 (available at https://tinyurl.com/bdzepxk9) and page 3 of our previous newsletter for April-June 2022 (available at https://tinyurl.com/bt2nuumd).
9. IRDAI Circular on modification of surety guidelines dated January 12, 2023, available at https://irdai.gov.in/document- detail?documentId=1772805; last accessed on June 30, 2023.

Subsequently, in May, the IRDAI modified the solvency requirement for all general insurers (except ECGC Limited, Agriculture Insurance Company of India Limited and stand- alone health insurers) from a fixed solvency margin of 1.25x to a solvency level determined by the IRDAI, from time to time. In addition, the guaranteed limit of 30% of the contract value was removed, which should increase market interest in the product.[10]

Guidelines for surety insurance were first notified by the IRDAI in April 2022[11] and certain insurers, such as Bajaj Allianz and New India Assurance, have already introduced surety insurance products in the market. For further information regarding the surety insurance guidelines, please see our previous newsletter of April to June 2022.[12]

Further liberalization of the 'use and file' regime with the increased role of PMCs

Continuing its liberalization of product filings procedures through the 'use and file' regime, the IRDAI, in March this year, notified that all product-related documents – such as policy documents, application forms, sales literature and proposal forms – must now be submitted by insurers to their product management committee ("**PMC**") with effect from April 01, 2023.[13] Previously, these documents had to be submitted with the IRDAI as part of the product application.

Under the 'use and file' regime – which permits insurers to launch products in the market without first obtaining the IRDAI's approval – PMCs are responsible to review and approve new or amended products; a responsibility that was with the IRDAI under the 'file and use' regime.

However, to balance its supervisory and regulatory roles, the IRDAI has assumed additional powers of examination and on-site inspection of product-related documents and now requires insurers to submit quarterly reports with respect to new products (including riders/add-ons) accompanied by a legal compliance certificate by the chief executive officer ("**CEO**"). Further, insurers now need to upload all policy wordings and related documents, such as sales literature and premium calculator, on their website, either before the product is launched or within 7 days of allotment of the product's unique identification number, whichever is earlier.

Separately, in June this year, the IRDAI expanded the 'use and file' regime to certain categories of unit-linked life and health insurance products and 'combi' products (where the lead insurer is a life insurer) and clarified that new unit- linked funds can now be added to existing unit-linked life products.[14]

For details regarding the gradual evolution of the 'use and file' regime, please refer to our previous newsletters.[15]

Further changes to investment regulations

Between January to June this year, the IRDAI notified further changes to its investment regulations:

i. investments in a single exchange traded fund ("ETF") will be subject to a cap of 20% of total investment in ETFs (same cap applies for investments in mutual funds);[16]

ii. insurers may not invest in any alternative investment fund whose distribution model could allow an investor to suffer a loss in excess of that investor's proportionate holding within the same class;[17] and

iii. investments in government- issued sovereign green bonds will be treated as an 'investment in infrastructure' and classified under 'central government securities'.[18]

10. IRDAI Circular on modification of surety guidelines dated May 15, 2023, available at https://irdai.gov.in/document- detail?documentId=3406900; last accessed on June 30, 2023.
11. IRDAI Circular on guidelines for surety insurance contracts, dated April 01, 2023, available at https://irdai.gov.in/document- detail?documentId=3230549; last accessed on June 30, 2023.
12. See page 3 of our previous newsletter for April-June 2022 (available at https://tinyurl.com/bt2nuumd).
13. IRDAI Circular on 'Use and File' Procedure for Products dated March 31, 2023, available at https://irdai.gov.in/document- detail?documentId=3228992; last accessed on June 30, 2023.
14. Circular on 'Use and File' Procedure for Life Insurance Products dated June 20, 2023, available at https://irdai.gov.in/document- detail?documentId=3524812; last accessed on June 30, 2023.
15. See page 4 of our previous newsletter for June-December 2022 (available at https://tinyurl.com/bdzepxk9) and page 3 of our previous newsletter for April-June 2022 (available at https://tinyurl.com/bt2nuumd).
16. IRDAI Circular on Appointment or Continuation of Common Director(s) u/s 48A of Insurance Act, 1938 dated September 2, 2022, available at https://irdai.gov.in/documentdetail?docume ntId=1354361; last accessed on June 30, 2023.
17. Id.
18. IRDAI Circular on Sovereign Green Bonds (SGrBS) – categorization and classification dated January 13, 2023, available at https://irdai.gov.in/document-detail?documentId=1836032; last accessed on June 30, 2023.

Non-executive directors of insurers can now receive profit-related commissions

In January this year, the IRDAI permitted insurers to pay profit-related commissions to their non-executive directors, up to a certain limit and provided the insurer is profitable. This relaxation took effect from January 30, 2023.[19] Previously, insurers were restricted from paying any form of remuneration to their non-executive directors, except sitting fees.

Commissions to non-executive directors of insurers can only be paid if the insurer has reported positive after-tax profit and the aggregate commission must fall under existing remuneration limits for directors of insurers.[20] The commission for non- executive directors must also fall within the 1% of net profits limit under Indian company law. However, Indian company law does permit paying remuneration up to certain limits[21] to non-executive directors even where the company is not profitable.

Final regulations on expenses of management and payments of commission notified

On March 26, 2023, revised regulations for expenses of management and payments of commission were notified in their final from by the IRDAI.[22] The final regulations are based on draft regulations that were notified earlier in November last year in relation to expenses of management[23] and in August last year in relation to payments of commission.[24] For detailed analysis of the draft regulations, please refer to our previous newsletter.[25]

The final regulations for non-life insurers and payments of commission are unchanged from the draft regulations. However, with regard to payments of commission, the IRDAI subsequently issued a guidance note clarifying that the new commission structure will apply prospectively (i.e., already sold policies will be covered under the earlier commission structure) and also notified certain minimum requirements and criteria[26] to be included by insurers in their board- approved policies on commission structure.

For life insurers, on the other hand, the final regulations differ from the draft regulations in the following key respects:

i. the IRDAI has been empowered to direct insurers to charge any additional incurred expenses (i.e., beyond the expense limits) to their profit and loss account (instead of their shareholders' account);

ii. the expense sub-limit for single premium received in a year for individual pure risk policies has been reduced from 14% (as proposed in the draft regulations) to 10%; and

iii. the expense sub-limit for lapsed policies (but available under the revival period) has been increased from 0.05% of total sum assured (as proposed in the draft regulations) to 0.06%.

Revised remuneration regulations for directors and key managerial personnel ("KMPs")

In June this year, the IRDAI issued revised remuneration regulations for directors and KMPs of Indian insurers.[27] The new regulations replaced the previous remuneration regulations issued in 2016.

19. IRDAI Circular on Profit -related commission to non-executive directors, by IRDAI dated January 30, 2023, available at https://irdai.gov.in/document-detail?documentId=2379631; last accessed on June 30, 2023.
20. Under section 197 of the Companies Act, 2013, the aggregate remuneration payable to all non-executive directors of an Indian company is currently capped at INR 2 million (~ USD 24,000).
21. Under schedule V of the Companies Act, 2013, the aggregate remuneration payable to [all] non-executive directors of an Indian company ranges between INR 1.2 million (~ USD 15,000) to INR 2.4 million (~ USD 29,000).
22. IRDAI (Expenses of Management of Insurers transacting life insurance business) Regulations, 2023 dated March 26, 2023, available at https://irdai.gov.in/document- detail?documentId=3231362; IRDAI (Expenses of Management of Insurers transacting general or health insurance business) Regulations, 2023 dated March 26, 2023, available at https://irdai.gov.in/document- detail?documentId=3231401; and IRDAI (Payment of Commission) Regulations, 2023, available at https://irdai.gov.in/document- detail?documentId=3230806; last accessed on June 30, 2023.
23. IRDAI Exposure Draft IRDAI (Expenses of Management of Insurers transacting life insurance business) Regulations, 2022, available at https://irdai.gov.in/document- detail?documentId=1623336; last accessed on June 30, 2023; Exposure Draft IRDAI (Expenses of Management of Insurers transacting general or health insurance business) Regulations, 2022, available at https://irdai.gov.in/document- detail?documentId=1622976; last accessed on June 30, 2023.
24. IRDAI Exposure Draft IRDAI (Payment of Commissions) Regulations, 2022 available at https://irdai.gov.in/document- detail?documentId=1622811; last accessed on June 30, 2023.
25. See page 3 and 4 of our previous newsletter for June-December 2022 (available at https://tinyurl.com/bdzepxk9).
26. The IRDAI's guidance note requires insurers to include both subjective and objective requirements and criteria in their policies on commission structure. These include having a 'fair and reasonable' commission structure, encouraging 'good distribution practices', regular review of commission structure by audit committees and developing mechanisms for the identification of potential conflicts to commission structure and reporting requirements.
27. IRDAI Guidelines on Remuneration of Directors and Key Managerial, available at https://irdai.gov.in/document- detail?documentId=3562210; last accessed on June 30, 2023.

Key changes, from the 2016 regulations, are as follows:

i. applicable to all KMPs now (and not just the CEO);

ii. maximum annual remuneration of non-executive directors increased from INR 1 million (~ USD 12 thousand) to INR 2 million (~ USD 24 thousand);

iii. KMPs can now receive employee stock option plans (ESOPs) (which were prohibited under the 2016 regulations), subject to an aggregate cap of 5% of paid-up capital and an annual cap of 1% for new grants;

iv. caps on the variable component of annual remuneration have been fixed between 50% to 300% of the fixed pay;

v. up to 50% or 70% of variable pay can be through non-cash instruments, based on whether the variable component constitutes up to 200% or more than 200% of the fixed component and at least 50% of total variable pay must be paid on a deferred basis over a minimum three-year period (variable pay composition was at insurer discretion under the 2016 regulations); and

vi. malus-related conditions must apply to variable pay and insurers should ensure that their remuneration policies and contracts with KMPs reflect this.

IRDAI proposes to remove filing requirements for insurance advertisements

In May this year, the IRDAI, through an exposure draft, proposed to remove the requirement for insurance companies to file their advertisements within 7 days of release.[28] This relaxation, however, involves additional governance requirements as well. In addition to their PMC, insurers would need to constitute a new advertisement committee. The advertisement committee will have to examine advertisements and make recommendations to the PMC, which will finally approve the advertisements and maintain 3-year historical records of all released advertisements.

New master circular in relation to the registration and share transfer regulations

In April this year, the IRDAI issued a master circular ("**Master Circular**") in relation to its registration and share transfer regulations ("**Registration and Share Transfer Regulations**"), which were issued in December last year and had consolidated and replaced the IRDAI's previous regulations and circulars governing the registration of insurance companies in India and the transfers of shares of Indian insurance companies.[29] Our previous newsletter contains a detailed analysis of the Registration and Share Transfer Regulations.[30]

The Master Circular has notified revised application forms for the registration of new insurance companies, provided certain clarifications on lock-in and other matters under the Registration and Share Transfer Regulations and repealed the IRDAI's previous guidelines regarding listed insurance companies and investments by private equity investors. These aspects are discussed below.

Lock-in requirements

The Master Circular provides that the specific lock-in periods under the Registration and Share Transfer Regulations will apply to shares held by promoters even in cases where the IRDAI's approval for the share transfer was granted before the Registration and Share Transfer Regulations took effect on December 5, 2022. However, for shareholders classified as investors, the lock-in periods under the Registration and Share Transfer Regulations will apply prospectively, that is, only in relation to shares acquired after December 5, 2022. For listed insurers, the Master Circular clarifies that the specific lock-in periods are not applicable to insurers whose shares are listed on recognised stock exchanges in India.

Re-classification of investors and rights to nominate directors

The Master Circular clarifies that any re-classification of a shareholder's status from 'promoter' to an 'investor' will require prior approval from the IRDAI. This is relevant for cases where a person was classified as a promoter based on the shareholding test under

28. IRDAI Exposure Draft IRDAI (Insurance Advertisements and Disclosure) (First Amendment), available at https://irdai.gov.in/document-detail?documentId=3388312; last accessed on June 30, 2023.

29. IRDAI Master Circular on Registration of Indian Insurance Company, 2023 dated April 24, 2023, available at https://irdai.gov.in/document-detail?documentId=3321302; last accessed on June 30, 2023.

30. See page 7 of our previous newsletter for June-December 2022 (available at https://tinyurl.com/bdzepxk9).

the previous regulations (i.e., more than 10%) but is now eligible to be classified as an investor under the new test under the Registration and Share Transfer Regulations (i.e., more than 10% and less than 25%).

In addition, the Master Circular provides that investors can have director nomination rights in insurers only if they hold more than 10% but less than 25% in the insurer. In other cases, investors holding up to 10% having previously nominated any directors are required to ensure that the relevant board seats are vacated by October 24, 2023.

Revised application forms for new insurance companies

The Master Circular has made certain changes to forms R1 and R2, which are the key application forms to be submitted for registering a new insurance company in India.

Form R1 now requires additional information regarding, amongst others, (a) details of investments by each promoter/investor in other Indian insurers and any foreign insurers, (b) other investments and assets held by the shareholders and (c) additional particulars and details regarding the shareholders, including on their experience, reputation and character (which was previously required for KMPs only).

In addition, certain information relating to market, sales, distribution and underwriting strategies, which was previously required to be provided as part of form R2, will now be required to be provided as part of form R1. On the other hand, certain disclosure requirements for directors and KMPs (e.g., their experience, reputation and character) have now been moved from form R1 to form R2.

Form R2 now also requires an action plan regarding conflicts of interest arising out of any investment by the promoter/investor in more than one insurer, directly or indirectly to be submitted with it.

Separately, in relation to transfers of shares, form ToS now requires additional disclosures regarding the proposed transferee, including the source of funds, capability to meet future funding requirements and business record and experience.

Repeal of certain regulations

The Master Circular has repealed the IRDAI's previous guidelines for listed insurance companies issued in 2016 and for private equity investments issued in 2017.

The Registration and Share Transfer Regulations contain, substantially, the same set of provisions for listed insurance companies and private equity insurance investments, as were contained in the above guidelines, so it is helpful that the relevant rules on these two aspects are now consolidated in one place.

Acko General Insurance Limited ("Acko General") cautioned for certain misleading car insurance advertisements

In May this year, Acko General was cautioned by the IRDAI in connection with certain car insurance advertisements issued by it in 2019.[31] The issue found with these advertisements was that they had quoted a minimum amount of premium that was not commensurate with the categories of cars whose images were displayed in the advertisements. For example, one of these advertisements quoted a starting premium of INR 2,299 but carried an image of a large sedan, for which the starting premium is generally much higher.

Acko General made several arguments before the IRDAI, but its primary contention was that certain variants of the depicted cars (having lower engine capacity) could technically be insured through the offered policy, even though other, larger variants of those cars could not. Acko General also contended that, based on the regulatory classification of insurance advertisements,[32] the advertisements were in the nature of an "invitation to inquire" (i.e., an advertisement of basic features to invite further inquiries) and not an "invitation to contract" (i.e., a detailed advertisement to induce a purchase or other decision regarding a policy), however, the IRDAI did not address this aspect in its order.

The IRDAI observed that the car insurance offered through the advertisements would be relevant for the larger category cars only in extreme or exceptional circumstances, and, therefore, the images in those advertisements will be viewed as misleading. It

31. Show Cause Notice reference no. IRDAI/NL/AGIL/ADVT/SCN/88/2019-20 dated July 25, 2019, issued by the IRDAI in respect of advertisements released by Acko General Insurance Limited

32. Clause No. 3.4.2.4 and 3.4.1.2 of IRDAI – Master Circular on Insurance Advertisements, dated August 13, 2015, available at https://irdai.gov.in/document-detail?documentId=379394; last accessed on June 30, 2023.

directed Acko General to exercise care and diligence in releasing advertisements and to not quote features or benefits that are only applicable in extreme or exceptional scenarios. It also directed Acko General to strictly comply with the 'letter and spirit' of the rules governing insurance advertisements.

On this same issue, in an order passed in January 2020[33], the IRDAI had earlier imposed a penalty on Acko General for an amount of INR 10 million (~ USD 120 thousand). Acko General appealed, and in February 2022, the Securities Appellate Tribunal ("**SAT**") quashed that earlier order for technical reasons, since the relevant advertisements were not part of the IRDAI's original show cause notice to Acko General.[34] Considering that there was some merit in Acko General's contentions, the IRDAI's leniency in only cautioning Acko General in its subsequent order in May this year, instead of imposing a penalty, is encouraging.

Further developments in the case of Sahara India Life Insurance Company Limited ("Sahara India Life")

On June 02, 2023, the IRDAI ordered an immediate transfer of the life insurance business of Sahara India Life to SBI Life Insurance Company Limited ("**SBI Life**"). The order was passed due to the continuing deterioration of the insurer's financial position and its continuing non-compliance with earlier directions given to it by the IRDAI vide the order in December 2020.[35] The deterioration in the insurer's financial position and non- compliance with the order in December 2020 was observed based on a report submitted to the IRDAI in May this year by the insurer's administrator.

Sahara India Life's regulatory issues can be traced back to June 2017, when the insurer's administrator had reported multiple issues to the IRDAI, which included the insurer surviving on reserves only, diversion of a sum of INR 781.5 million (~ USD 9.4 million), day-to-day management being undertaken by the non-executive chairperson (instead of the board of directors) and mismanagement involving certain Sahara promoter group companies.[36] The administrator was appointed by the IRDAI in view of the insurer's deteriorating governance system, business and financial position.

Based on the administrator's report, on July 28, 2017, the IRDAI directed Sahara India Life to cease its life insurance business. This order was based on the administrator's conclusions in its report there had been a complete failure of the insurer's governance system as well as a failure of its promoters to satisfy the 'fit and proper' criteria.

Sahara India Life appealed to the Securities Appellate Tribunal ("**SAT**"), who quashed the IRDAI's July 2017 order - on the basis that Sahara India Life was not given a copy of the administrator's report and an opportunity of being heard and that the transfer of insurance business should been the last resort - and directed the IRDAI to hear the matter afresh.[37]

After re-examining the matter, the IRDAI, through an order in December 30, 2020, directed Sahara India Life to undertake certain remedial actions[38] including:

i. recovering an advance of INR 781.5 million (~ USD 9.4 million) from Sahara India;

ii. procuring a transfer of its shares held by certain promoters, such as Sahara India Financial Corporation Limited, Sahara Care Limited, Sahara India Commercial Corporation Limited and Sahara Infrastructure and Housing Limited;

iii. submitting a board-approved business plan;

iv. reconciling remaining unreconciled accounts; and

v. ensuring sound governance systems to address the concerns and act in the best interest of its policy holders.

33. IRDAI order in the matter of Acko General Insurance Limited, reference no. IRDAI /NL /ORD /MISC /029 /001 /2020 dated January 24, 2020, available at https://irdai.gov.in/document- detail?documentId=393413; last accessed on June 30, 2023.

34. Supra note 31.

35. IRDAI order in the matter of Sahara India Life Insurance Company Limited reference no. IRDA /F&A /ORD /MISC/310/12/2020 dated June 02, 2023, available at https://irdai.gov.in/document- detail?documentId=3473141; last accessed on June 30, 2023.

36. The Economic Times, *"Siphoned off policyholder funds: Supreme Court on Sahara India Life"*, dated June 17, 2023 available at https://economictimes.indiatimes.com/indus try/banking/finance/insure/siphoned-off- policyholder-funds-supreme-court-on-sahara- india- life/articleshow/101647914.cms?from=mdr; last accessed on June 30, 2023.

37. SAT order in the matter of Sahara India Life Insurance Company Limited vs. IRDAI, reference no. Misc. Application No. 5 of 2017 and IRSA Appeal No. 4 of 2017 dated January 11, 2018, available at https://sat.gov.in/english/pdf/E2018_IR2017 5.PDF; last accessed on June 30, 2023.

38. IRDAI order in the matter of Sahara India Life Insurance Company Limited reference no. IRDA /F&A /ORD /MISC/310/12/2020 dated December 30, 2020; last accessed June 30, 2023.

As mentioned in the administrator's report in May of this year, Sahara India Life did not follow any remedial steps as directed by the IRDAI (*see above*). For instance, Sahara India Life only managed to recover INR 80 million (~ USD 1 million) from Sahara India. Additionally, it didn't take definitive actions to procure the share transfers from its promoters and the business plan it submitted was incomplete, as well.

The IRDAI's order in June this year, however, was stayed by SAT on appeal by Sahara India Life and the matter remains sub-judice.

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