

CORPORATE GOVERNANCE GUIDELINES

Sl. No.	Point Nos.	IRDA's Corporate Governance Guidelines	Comments from Various Stakeholders/Individuals	IRDA's Response
1.	3.1	The certificate of commencement..... permitted within this period.	The lock in period may be restricted to five years from the commencement of business.	R3 is issued after capitalization and the company is also get approval for launching of few products. There is unlikely to be major delay in commencement of operation. Hence, we may retain the 5 year lock-in period from the date of R3.
2.	3.2	Ceiling of FDI capped at 26%	Ceiling of FDI capped at such percentage as notified from time to time.	Modified slightly considering that amendments are yet to be approved.
3.	3.2 & 3.3	Clauses from existing Regulations	May be deleted from the Corporate Governance Norms.	The reiteration is to summarise the regulatory position.
4.	3.4	Conflict of interest of significant owners.	Conflict of interest & nature of interest should be defined. Clarification required on what comprises the fiduciary duties of a significant owner and conflict of interest. The provisions w.r.t. conflicts of interest of shareholders and directors to IRDA may be dropped. There is no need for separate guidelines on this point. Provisions contained in Companies Act should continue to apply. The existing arms length criteria and AS-18 may also continue to be applicable. All related party transactions are fully scrutinized by the Auditors and are reported separately in the financial statements and are within the purview of Transfer pricing regulations. Hence, the existing mechanism in place is adequate.	Modified suitably.
5.	3.5	Conflict of interest of Directors.	No requirement of a provision under these guidelines for disclosure of conflict of interest situations by directors. An internal conflict of interest policy required to be put in place by all insurers, covering its employees and directors, which can contain requirements of disclosure and management of conflict of interest situations within the company.	As the responsibility to address conflicts of interest would be that of the Board, there will not be any need for report to the Authority. Hence, 3.5 may be deleted.
6.	3.6	Auditors, Actuaries, Directors and Senior Managers result in conflict of interest.	More clarity is required to fully understand the implications of the term "conflict" in case a Senior Manager holds more than one position. Hence, the proposed requirement should not apply to Senior Managers and further the control functions should be independent and directly reporting to board.	The provision is only as an alert and does not prohibit holding of two positions simultaneously, if there is no conflict of interest. Slightly modified to reflect the Authority's view.
7.	3.7	No arrangement involvement	Define 'Remuneration'. The term `Arrangement involving	There is a merit in the proposal to do away

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		payment of remuneration prior explicit approval of the IRDA.	<p>payment of Remuneration' should be clearly defined. The term "associate" may be defined in line with the definition of "Companies under the same management" u/s 370(1B) of the Companies Act</p> <p>Payments from shareholder's fund may be excluded from the purview of this requirement and threshold be set on the requirement of prior approval in case of payments made from policyholders' account.</p> <p>Prior approval from IRDA for related party transactions should be deleted as the same is governed under Companies Act, 1956 and AS-18. The Authority may seek for periodic intimations from the Company.</p> <p>Reimbursement of ordinary course costs and expenses incurred by the promoter company for providing services for the benefit of the insurance company would become subject to prior IRDA approval. In addition, this provision should be expressly "grandfathered", so that any payment made pursuant to a contract duly entered into prior to the effective date of the Guidelines does not require IRDA approval.</p> <p>Further clarification regarding the payment related to technical know-how or any other payment to promoter or its associates which forms part of the JV should be covered.</p> <p>May be deleted as it would amount to repetition of process.</p>	with prior approval of IRDA, since, AS 18 covers this aspect and compliance is required to be certified by the Statutory Auditors. It is also proposed prescribe disclosures in the financial statements in this regard separately. Hence, could be deleted.
8.	3.8	The Board capital augmentation of the company.	The Insurer's management should ensure ongoing compliance with the statutory requirements on capital structure and report on this compliance to the Board.	We may retain.
9.	5.1 (i)	Independent Directors.	<p>So long as an insurance company is unlisted, its Board should consist of 2 independent directors, at least initially. An Actuary should be included in the Board with important role especially in actuarial issues.</p> <p>The above requirement should be in line with the Clause 49 of Listing Agreement.</p>	Suitably modified to provide for minimum two independent directors for unlisted companies.
	5.1 6th Bullet (ii)	"At a minimum..... should be independent".	"At a minimum where the company has a non executive Chairman, at least one third of the directors should be independent and in other cases at least 50% of the directors	As above

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			should be independent". The requirement should be in line with the Clause 49 of Listing Agreement and relaxation should be given since companies are not listed presently.	
10.	5.1 Bullet 6	The optimum benefits the shareholders and policyholders.	The term 'independent executive and non-executive directors' should read as 'independent and non-executive directors'.	As above
	5.1 6th Bullet	Definition of Independent Directors.	Should be clearly defined as "Independent director" means a non-executive director who: (i) is not involved with the management of, not in paid employment with the company or any promoter of the company and (ii) does not have a material pecuniary relationship with the company or any promoter of the company; in each case which will, or is likely to, interfere with the exercise of his independent judgment." Non-executive directors nominated by promoters may be considered as independent directors provided they satisfy the two conditions mentioned in the above definition. Note: Directors' remuneration as per Section 309 of the Companies Act, 1956 shall not be construed as material pecuniary relationship, as clarified in clause 49 of the Listing Agreement.	Modified to reflect alignment with listing agreement definition.
11.	5.1 7th Bullet	Where the Chairman of the Board is non-executive... of the Board.	Flexibility should be given to the Company on appointment of the CEO being a Whole-Time Director and it is recommended that this provision be deleted.	Not accepted. IRDA would like CEO to be a whole-time director as in the case of banking company.
12.	5.1 8th Bullet	As a matter of prudence on the Board of the Insurer.	As long as Independent Directors are appointed, using the 'fit and proper' criteria, there need not be any additional restrictive criterion. SEBI's Clause 49 of the Listing Agreement/RBI guidelines does not contain restrictions on appointment of Directors based on qualifications and experience. Section 314 of Companies Act also governs the appointment of Directors or their relatives to office or place of profit. Hence, this clause may be deleted. In the case of joint venture (JV) companies, the JV partners	No need for a change as directors of financial sector entities have to be fit and proper apart from being independent. No need to any change in this regard.

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			usually nominate Directors (who are senior professional officials of the respective companies) on the Board of the Company in line with the JV agreement. Clarify and confirm whether the Directors appointed by the JV partners can be considered outside the definition of associates.	
13.	5.1 9th Bullet	Procedures concerning election..... set out and documented.	This is governed by the provisions of Companies Act, 1956 and are well defined under the Act, hence, may be deleted.	Could be deleted.
14.	5.2	The specific areas of the responsibilities in Annexure 1.....	'Corporate Business Policy' is not clear. The responsibility of the Board becomes too onerous, if the list has to be fully adhered to. Like in Clause 49, it should be stated that "the suggested areas of the responsibilities of the Board of Directors are detailed in Annexure 1". This is especially so because at the end of Point 5.2, there is a mention "with a view to being effective, the strategies and policies of the board should, at the minimum, address a broad range of areas, including(many points are incorporated here)". When a long list appears here as well, the contents of Annexure 1 should be only recommendatory not mandatory.	The listing at 5.2 is more philosophical and macro in nature while that at Annexure dwells in details on the various micro aspects as well to help the Board and are illustrative in nature.
15.	5.2 Last Line 1st Para	As the Boards generally two way information flow.	More elaborate description is required to bring clarity.	It is understood quite commonly.
16.	5.2 3rd Para	Thus.... the strategies and policies of the Board should..... range of areas including:-	These are management responsibilities, and the Board may be given the responsibility to 'review, comment and approve' such strategies and not to set them.	Slightly modified.
17.	5.3	Dead of Covenant	The insurance companies may be given flexibility in suitably modifying the Deed of Covenant that Directors are required to enter into (as per Section 5.3), with due approval from the Board. This is extremely onerous both for the Director as well as for the Company, keeping in view Boards usually meet 4 to 6 times in a year. It is impossible for the Directors and the Company to comply with each requirements of Annexure-3 (Deed of Covenant). Either the whole provision should be deleted or the form of	Not accepted. Such a deed of covenant is absolutely necessary for entities in the financial sector having a fiduciary responsibility. This has already been prescribed for the banking company and has since become acceptable. Does not contain proviso which could possibly be unacceptable.

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			Deed of Covenant should be modified to a list of suggested points of responsibilities for Directors and the company vis-à-vis the Directors.	
18.	5.3	Fit and Proper Criteria – Currently the fit and proper requirements	Prohibition is too generic, hence should be deleted or be replaced by “should be disqualified only when convicted for any offence involving a moral turpitude and sentenced in respect thereof to an imprisonment for a period not less than 6 months”. Appointment of Directors may continue to be made in line with the Companies Act, 1956, and the proposed 'fit and proper' criteria may be dropped. Except AA others are decided by the company and an appropriate format may be prescribed for compliance with this requirement.	Modified suitably.
19.	5.3	The draft Regulations provides that due diligence enquiry after obtaining a declaration in the prescribed format.	Clarification required on the following:- <ul style="list-style-type: none"> • Is it mandatory to undertake a due diligence enquiry? Who can perform the due diligence enquiry? • If one of the objective of the “Nominee Committee” is to conduct due diligence enquiry then why the constitution is recommendatory & not mandatory? 	The constitution of Nomination Committee is optional. Due diligence is mandatory and is carried out by the Board in case there is no Nomination Committee.
20.	5.3	Fit and Proper Criteria – financial soundness being laid down as a criterion for appointment as a Director.	Insolvency to be laid down as a disqualification. A Director be disqualified from being appointed only if he has been convicted for any offence involving moral turpitude and sentenced in respect thereof and not merely if the director has come under an adverse notice of the law and regulation of any professional body.	Financial soundness is defined in Companies Act.
21.	Annexure 2	Annexure – 2 of Fit & Proper Criteria	In Undertaking – 2 nd para – the word ‘bank’ should be replaced with ‘insurance company’.	Accepted
22.	Annexure 2	Annexure – 2 of Fit & Proper Criteria	In form – point g – ‘DCA’ may be replaced with ‘MCA’	Accepted
23.	5.3 Annexure-	The Insurance Company shall communicate outcome of Board	The timeline should be extended for 30 days as provided in the Companies Act.	No change required.

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	Pt.3(iv)	deliberations to Directors within two business days of the date of conclusion of the Board meeting.		
24.	5.3 Annexure-Pt.5	The insurance company shall appoint a compliance officer other concerned statutory and governmental authorities."	Respective functional heads/ process owners may be made responsible for laying down policies and procedures in consonance with applicable laws and regulations, for implementing the same and ensuring compliance to policies, procedures, laws and regulations, within their functions. Internal Audit may be made responsible to monitor adherence to applicable laws and regulations and policies and procedures. The Compliance Officer, who may report to the relevant Board committee, should have the responsibility of establishing a framework defining compliance responsibility areas for every function and providing oversight and counsel for implementation of compliance requirements and should not be directly responsible for implementing any compliance responsibility area. This is line with the recommendations of the Legal Compliance Sub-Committee of the Life Council.	Suitably Modified
25.	5.4	Conduct of Meetings	A compendium of company's governance policy should be prepared and can be termed as " Directors Hand Book " and circulated to all new Directors.	No immediate action is required.
26.	6	Given the risks that an insurer..... has in place..... it is important that the Board has in place.....	"....it is important that the Board oversees the insurer's management to ensure that the company has in place.....".	Modified to reflect Board's oversight.
27.	6.1	The responsibility for the oversight of control functions criteria initially and on an ongoing basis.	May be amended to make it more positive.	Para modified slightly.
28.	6.2	For Insurers within a group.... the level of the Insurer.	The drafting should be made without any ambiguity to state that it is applicable only for Insurers within a group and not for all entities within the group. The Board may be authorised to lay down and oversee the appropriate standards for risk control within the Company.	It already stands clarified in the paragraph. Further amplified for clarity.

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			<p>Some of the insurance companies in operation are already under the group supervision as laid down by the group's regulatory requirement under conglomerate supervision of companies where a mechanism for overseeing risk controls at a group level exists.</p> <p>The requirement of this clause be deemed to have been complied with in case insurance companies are already covered through other group wide supervision process.</p>	
29.	7	Board established committees	The Insurer's Boards must be accorded the freedom to constitute committees in the manner in which they deem fit so long as the roles and responsibilities defined for the committees are being discharged and the objectives set out for the committees being met. The overall responsibility of the committees be laid down as that of providing oversight over management actions.	The above intent is already clear in para 7 and the Board's do have the freedom to set-up committees. Nevertheless, some committees would be mandatory as stated.
30.	7	Risk Management Committee/ALM Committee/ Policyholder Protection Committee/Nominee Committee	Suggestion required on the constitution, frequency of meetings, quorum, reporting requirements for the ALM & Nomination Committee and Appointed Actuary should be made a permanent invitee to the Audit Committee.	Apart from the broad framework, it need not be micro managed. The constitution etc., should be to meet the objectives set for the committee.
31.	7.1	Audit Committee	Audit Committee should be made to only review the appointment of Internal and Concurrent Auditors and recommend appointment of Statutory Auditors. (1) Change the guidelines as per Clause 49. Audit Committee should not (2) be made to establish procedures on various accounting issues, which responsibility should be only for review. Insurer should be given flexibility to choose (3) Chairman and also to combine Audit Risk Committee & (4) Ethics Committee.	Suitable modifications are carried out.
32.	7.1 4 th Bullet	The Audit Committee shall be directly responsible for the appointment, remuneration, performance and oversight of the work of the auditors (internal/ statutory/Concurrent).	The Audit Committee should take such performance into account in its decision to renew the appointment of and remunerate the auditors and its role should be one of providing oversight.	Para 4 slightly modified to reflect the recommendatory role.

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33.	7.1 Point 2	The association of the CEO in the Audit Committee should be limited to eliciting any specific information concerning audit findings.	Clarification required whether this would imply that the CEO cannot be a member of the Audit Committee. Clause may be deleted, as CEO is responsible for implementing the directives issued by the Audit Committee.	This is the intent to ensure its independence. No specific mention is necessary.
34.	7.1 Point 5	The Audit Committee shall establish proceduresby any other person.	Clause may be deleted as Audit Committee should focus on various processes/controls/risk areas at a macro level rather than focusing on operational issues.	This can be accepted. Suitably modified to reflect the macro level responsibility of the committee.
35.	7.1 Point 6	Any work other than audit that is entrusted to the auditor or any of its associated persons or companies shall be specifically approved by the Board	The word 'audit' be qualified by prefixing 'financial or statutory' to it. Further, the requirement of specific approval by the Board, be limited to cases wherein work, other than statutory audit, is proposed to be assigned to statutory auditors or their associates. The manner of disclosure in the annual report should be specified. Already covered under clause 3.6 and hence may be deleted.	Agreed & Slightly modified.
36.	7.2 5 th Bullet	All investments made investment operations.	The portion that all Investments made are to be approved by the Investment Committee may be dropped.	Agreed & deleted.
37.	7.2 6 th Bullet	The members of the Committee.....due diligence process.	To bring out the correct meaning, the word "solely" should be added before the word "influenced". May be read as: "The members of the committee should oversee that the company's investment decisions are in compliance with the investment policy and should provide that the authorized operational staff should not be influenced by the credit rating agencies....." "The members of the committee should not be influenced by the credit rating agencies and should independently review investment decisions duly supported by the due diligence process to be carried out by the Investment Team."	Agreed. Draft modified.
38.	7.3	Risk Management Committee	As there is a significant synergy between the Audit Committee and Risk Committee functions, this committee may be merged with Audit committee and the members shall include CFO, CRO, COO. Requires further clarifications.	The suggestion may be reviewed at a future date.

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39.	7.4	Asset Liability Management Committee	This Committee may be merged with Investment Committee as the Investment Committee currently handles the ALM matters. Proceedings of the ALCO meetings can be periodically placed before the Risk Management Committee.	The suggestion may be reviewed at a future date.
40.	7.3 & 7.4	Risk Management Committee (mandatory) & Asset Liability Management Committee (mandatory for life insurers)	The asset liability management function as well as the risk management function is that of the management and at best, oversight can be provided by a committee formed by the Board.	The suggestion may be reviewed at a future date.
41.	7.5	Policyholders Protection Committee – The responsibilities of the	<p>Committee should foresee the Misselling activities and market conduct of intermediaries.</p> <p>There are already institutions such as ombudsmen, consumer forums etc which are covering this. This can be covered by having a CEO report on the grievance and redressal status. Proceedings of the Meeting can be periodically placed before the Audit/Risk Management Committee. Requires further clarifications. Should not be made mandatory for GIC.</p>	<p>Agreed.</p> <p>Suitably modified.</p> <p>This can be dealt with sepeately.</p>
42.	7.6.1 & 7.6.2	Remuneration Committee & Nomination Committee	The insurers should be given the flexibility to combine Nomination and Remuneration Committee.	The choice is available as NC is not mandatory. This is now being made explicit.
43.	7.6.3	Ethics Committee	The insurers should be given the flexibility to combine Audit and Risk Committee and the Ethics Committee. May be termed as "Compliance Committee" and may be added to Audit Committee viz: Audit and Compliance Committee" and can be independent once the Insurer attains certain threshold limit as may be specified by the Authority.	Is possible as EC is not mandatory.
44.	8.1	CEO & Other Senior Management Functionaries	IRDA should specify that CEO of a life company can't be on Board of another Indian life insurance company. There need not be bar on CEOs of insurance companies being on Boards of insurance companies other than Indian insurance companies.	The intent of Section 32A (i) is to prohibit a CEO of an Indian life insurance company being on the board of another life insurance company registered in India. Nevertheless, the word "Indian" is added in the paragraph to read as Indian Insurance company..

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45.	8.1 1st Para Last Line	The CEO of a life Insurance Company..... insurance Company/Bank/Investment Company	Existing restrictions under Section 48B (1) of the Insurance Act, could continue to apply, and there may not be any further restrictions on Directorship. In case the Authority intends to place restrictions, this clause may be reworded to permit CEO of an insurance company to be Director in any other Bank or Investment Company and specifically prohibit Directorship in any other insurance company or a company otherwise directly engaged in the same class of insurance business as that of the Company.	Same as 44 above.
46.	8.2 Point A&B	The procedure for appointment of Appointed Actuary 'Fit and Proper' criteria.	Company need not have to frame a procedure separately as the same is governed by IRDA (Appointment of Actuary) Regulations. Why Appointed Actuary needs to satisfy the 'Fit & Proper Criteria" as the person is appointment after seeking IRDA approval? If required, what will be the format. The requirement should be dropped.	The para talks of the general procedure. The company has to ensure that the Appointed Actuary is fit and proper before proposing to IRDA. No change is necessary.
47.	8.2 Point D	As soon as the Appointed Actuary on the gravity of situation.	When the Appointed Actuary realizes about the non-compliance of solvency requirements and other parameters, the Actuary should first bring to the notice of the Management and if no corrective action is taken, then should be reported to the Board/External Auditors. The existing form of reporting to the Board level committees be accepted as deemed compliance.	In view of the managerial responsibility of the Appointed Actuary, the course of action should be reporting to IRDA, in case no remedial action is taken by the Board.
48.	8.2 2nd Para	The Appointed Actuary shall provide to the Board with regard to	Is it the professional advice only or any Certificate from the Appointed Actuary needs to be taken?	Modified slightly. Clarification not required.
49.	Others		Authority to frame a separate guidelines on "Investment/Trading in Securities by the Employees of Insurance Companies" to ensure that there is no conflict.	This is best left to the companies concerned
50.	8.3.1 & 8.3.2	Appointment and Guidelines on Eligibility Conditions/ Qualifications	It is recommended that the Board should ensure compliance to IRDA circular dated July 25, 2005 on appointment of auditors. Confirm the policy intention and rationale to set-up the rule to prohibit one audit firm from auditing more than two insurance companies.	No change is necessary.

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51.	9 1st Para	Disclosure Requirements The prescriptions on financial disclosures..... to ensure compliance thereof.	Comments and opinions of the insurance industry may be obtained on the proposed disclosures before they are finalized. A note may be added saying ".....provided that such disclosures do not compromise the insurer's confidential information or jeopardize its competitive business advantages."	Would be done. Not required.
52.	9 Point C	Life insurers shall disclose policy lapse ratio.	Uniform lapse ratio to be defined-otherwise different companies would follow different methodologies.	Would be done in due course.
53.	9 Point G	All pecuniary relationships be disclosed in the Annual Report.	This can be deleted since the same is covered in clause (i) related party transactions and forms part of the financial statements/management report. Point (g) & (i).	This is necessary as it is ordinarily disclosed.
54.	9 Point H	All elements of remuneration package of Individual Directors etc., shall be disclosed.	Payments to Directors etc are already covered under Managerial Remuneration under the Companies' Act and hence, no separate disclosure of Directors' remuneration is required. This requirement may be dropped.	Agreed. Can be deleted.
55.	9 Point I	All related party transactions.	May be amended as: All related party transactions as referred in AS 18 issued by the Institute of Chartered Accountants of India from time to time.	Agreed. Can be deleted.
56.	10	Outsourcing	Clarify "substantive functions". The authority's approval should not be mandatorily required for such outsourcing decisions. The authority may issue an Exclusion list, consisting of the functions that may not be outsourced such as Investments, Actuarial and Underwriting. Preferably, this process should be left to the judgment of the companies. All outsourced activities shall be reported to IRDA within 30 days of entering into agreement. The guidelines on "outsourcing" should be on par with RBI guidelines which do not prohibit "outsourcing" except for certain core activities.	Agreed. A suitable reference made in the para.
57.	10.1 The arrangement shall be for a defined duration of not more than 3 years and should have provision for	The decision regarding terms and conditions and tenor of outsourced agreements may be left to the insurer. Separate guidelines on 'Outsourcing' should be issued wherein the	As above

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		premature cancellation without attracting penalties.	functional areas within an insurance can be divided i.e. 1. Negative list- No outsourcing can be done in this area without prior approval of the Authority. 2. Approval of the Board of Directors – Areas where outsourcing can be done with prior approval of the Board (critical insurance functions not included in point 1 above can be included in this) 3. Residual - No restriction on outsourcing (routine non-critical business areas can be included in this)	
58.	10.2	The Board shall monitor and review the performance of agencies..... at least annually.	Board should be replaced by Management. "and report its findings to the Board" should be added after at least annually. This monitoring could be done by either the Internal Audit or the Risk function and findings placed before the Risk Management Committee/ Board.	Agreed. Modified suitably.
59.	10.3	The Authority reserves the right to access to the insurance company.	Since this is at the discretion of the outsourced entity or contractual obligations, insurance companies shall not be liable if the outsourced entity is not agreeable to this condition.	The proposal is confined to access to the extent it is relevant to the insurance industry and protection of policyholder's interest. No relaxation is necessary.
60.	11.3	Towards protecting the interests of various stakeholders must be duly addressed.	The relevant disclosures can be provided as part of the Annual Financial statements, which are audited by the Statutory Auditors and are approved by the Shareholders of the company. The definition of 'stakeholders' may be further restricted considering the sensitivity of information sought to be made available.	IRDA will be coming out with a framework of disclosures taking all factors into account. No change is necessary.
61.	11.4	In case of a situation arising whereby there is a possibility and prospective policyholders.	May be deleted, as this provision is too broad and IRDA's objectives with this section are met with the second full para of Section 5.2.	May be deleted since para 3.4 was suitably modified.
62.	12	Interaction with the Supervisor	More clarity should be given detailing the procedure to be adopted so that the Board of insurance companies could be briefed thereof.	Noted. No changes necessary.
63.	12.2 4 th Bullet	IRDA would monitor the performance of the boards.	Disagreeable	Not acceptable.

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64.	12.4.1	Timeline for an insurance company to establish the specified mandatory committees within 6 months from the date of these guidelines.	Timeline prescribed may not be adequate and may be changed as 2 years.	No change necessary.
65.	13.1	Whistle Blowing Policy: The insurers are well advised to shall put in place a "whistle blowing" policy..... to the external auditor.	Employees can report their concerns directly to the Chief Compliance Officer/ HR Head/Head of Internal Audit instead of the Chairman of the Board. May not be made mandatory and the insurer may be provided to have an internal framework wherein an Independent Control function could be designated with whom the issues can be raised.	This is only a suggestion and not mandated. Insurers are free to follow their policies.
66.	13.2	The Appointed Actuary Interests are undermined.	Appointed/Statutory Auditors should bring matters having adverse effect on financial condition to the Management and then to the Board. If no corrective action is taken, the matter be referred to IRDA.	No action necessary.
67.	Annexure 1	Responsibilities of the Board	The roles and responsibilities of the board should be restricted to oversight over management's functioning while the direct responsibility of discharging those responsibilities should be that of the management.	No changes necessary.
68.	Annexure 1 Point 2 (e)	Define the Insurer's policy on appointments imprudent behaviour.	Remuneration Committee may be allowed to approve the remuneration policy of the company. The other requirements may be allowed to be handled by the company's HR function under the overall supervision of the Remuneration Committee.	No action necessary.
69.	Annexure 3	Covenant with A Director	Section 299 (3) of the Companies Act provides for General Notice to comply with Section 299(1) and (2). The same provisions could be reinstated here and accordingly point no 2 (i) and 2(ii) may be deleted.	No action necessary as this is being adopted in the Banking Sector.
70.	Annexure 3 Point 3(i)(f)	Insider dealing restrictions;	These provisions may be made applicable to Directors of listed companies only and may not be relevant for insurers at this stage.	No change is necessary. The promoter companies are listed and Directors may have inside information which imparts the promoter company's MP.

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71.	Annexure 3 Point 3(iv)	The Insurance Company shall communicate outcome two business days	May be reworded as: "The Insurance Company shall communicate outcome of Board deliberations to Directors and concerned personnel and prepare and circulate minutes of the meeting of Board to Directors in a timely manner." The prescribed period of "two business days" may not be feasible at all times.	Is only recommendatory in nature, not mandatory.
72.	Others	Timeline for implementation	3 years should be given to the insurers to comply with the guidelines.	No change necessary.
73.		Internal Audit	Effective mechanism is needed to check and report to Management/Board that there is no deviation whatsoever from the premium rates for individual and group products filed with IRDA and that discretion ,if any, allowed under a business segment say, Group Business is properly exercised and not used for commercial gains (like writing business at inadequate rates).	Should be the job of the Committee looking at underwriting issues.