

डॉ. आर. कण्णन
सदस्य (बीमांकक)

Dr. R.Kannan
Member (Actuary)



बीमा विनियामक और विकास प्राधिकरण
**INSURANCE REGULATORY AND
DEVELOPMENT AUTHORITY**

Circular No. 42/IRDA/ACTL/EM/2008-09

13th March 2009.

To

All the Life Insurance Companies.

Sub: Expense management of life insurance companies.

As indicated on a number of occasions, expenditure management is very crucial for the life insurance industry especially at this juncture, in order to procure durable business and position them on a strong footing. In this context, payments made to the intermediaries, other than individual agents, occupy an important position. Hence life insurers are required to submit the following, starting from the financial year ending March 31, 2009.

- a. The life insurer must give the details of all the payments made by the company, during the year (April-March), to all intermediaries, except individual agents in a separate table, as given in the Proforma enclosed. This table must be sent along with the Appointed Actuaries Report.
- b. This table must also show all payments made to any other party, related to the intermediaries mentioned above. This table should also indicate the total amount of business procured through them during the period of reference.
- c. The definition of related parties mentioned above should be in conformity with the Accounting standards of ICAI and Companies Act.
- d. This certificate will be jointly signed by the CEO, CFO and Compliance Officer.

The IRDA reserves the right to ask external auditors of the life insurers to certify these statements.

(R. KANNAN)

Encl: Table

Name of the Life Insurer

Date:

**Intermediary-wise details of Premium collected and Expenses incurred, under each distribution channel, during the financial year 2008-09
(excluding individual agents)**

(in rupees thousands)

Distribution Channels	Premium collected ¹				Commission Paid ²				All other payments made	
	FYP	RP	SP	Top-up	FYP	RP	SP	Top-up	Amount	Accounted under ³
A. Corporate Agent Name 1 Related party 1 Related party 2 Name 2 Related party 1 Related party 2										
B. Brokers Name 1 Related party 1 Related party 2 Name 2 Related party 1 Related party 2										
C. Referrals Name 1 Related party 1 Related party 2 Name 2 Related party 1 Related party 2										
D. Others (specify) Name 1 Related party 1 Related party 2 Name 2 Related party 1 Related party 2										
E. Direct Sales										

Note:

1 - Premium as per Schedule 1 of financial statements
 3 - Name of particular account as per Schedule III of financial statements
 FYP- First Year Premium
 RP - Renewal Premium

2 - Commission paid as per Schedule 2 of financial statements
 SP - Single Premium
 Top-up - Top-up Premium

Signature of Compliance Officer

Signature of Chief Financial Officer

Signature of Chief Executive Officer