

Ref: IRDAI/NL/CIR/MTP/54/02/2023

20/02/2023

CIRCULAR

To
ALL GENERAL INSURERS,

Re: Treatment of inward Co-Insurance while reporting MTP Obligations

1. Section 32D of Insurance Act, 1938 specifies that every insurer carrying on general insurance business shall, after the commencement of the Insurance Laws (Amendment) Act, 2015, underwrite such minimum percentage of insurance business in third party risks of motor vehicles as may be specified by the regulations.
2. Accordingly, the obligations of an Insurer in respect of Motor Third Party Insurance Business for every Financial Year are also specified in IRDAI (Obligation of Insurer in Respect of Motor Third Party Insurance Business) Regulations, 2015.
3. Where insurers undertake Co-insurance arrangement as part of risk sharing program, it is clarified that the inward co-insurance shall not be considered for the purpose of reckoning the compliance to the above referred regulations.
4. This has the approval of the competent authority.

Chief General Manager (NL)