

IRDA ACT, 1999

⇒ Introduction

1. IRDA is an Independent Regulator of Insurance industry
2. This authority grants entry and exit to insurance companies and insurance intermediaries.
3. This authority prescribes Relations Regulations to be followed compulsorily by insurance industry
4. It is responsible for consumer protection and promotion of insurance.

⇒ Composition of IRDA

1. All appointments are done by central Govt.
2. All members must be experienced in the field of insurance, law, economics and Accountancy
3. Authority has one chairman, 5 whole time members, 4 part-time members
4. At least one member should be experienced in insurance
5. Tenure of members and chairman shall be 5 years
6. Max^m age for chairman is 65 years.
7. Max^m age for members is 62 years.
8. Reappointment can be done any no. of times subject to max^m age
9. Any of them can resign anytime subject to 3 month advance notice
10. CG can remove any of them without any notice period.

1. Such Removal can take place if he is acting without authority, working against the interest of industry or has some conflict of interest.
2. All administrative decisions are taken by chairman.
3. Meetings of IRDA must be headed by chairman but if chairman is absent, senior most member as per age will act as chairman.
4. Chairman will have casting vote, to be exercised in case of equality of votes.
5. Even if there are ~~1000~~ ^{thousands} defects in the composition of IRDA, any action taken by them cannot be challenged.

⇒ Functions of IRDA

1. Issue, modify or cancel Registration certificate
2. Safeguarding the interest of policy holder
3. Specify code of conduct and code of ethics
 1. Impose fees and charges
5. Conducting investigation and inquiries
6. Regulating investments done by insurance companies
 1. Regulating solvency position of insurance companies
 3. Settlement of dispute b/w insurance company and insurance intermediary
7. Supervising the functions of insurance advisory committee

⇒ Insurance Advisory Committee

1. This committee is established by IRDA
2. It has 25 Members
3. out of 25 Members, 10 are IRDA Members.
4. Chairman of IRDA and chairman of committee cannot be same
5. Principle function of this committee is to advise IRDA on various matters.

⇒ Finance Accounts and Audit

1. IRDA has established an insurance fund which receives money from govt as grant, and from insurance industry as fees and charges.
2. This fund shall be utilised for administrative expenses and promotion of insurance industry.
3. Authority will maintain Books of Accounts and prepare financial statements as per the format prescribed by CAG of India
4. A/c's shall be audited by CAG of India and audit fee shall be borne by IRDA itself.
5. financial statements together with audit Report must be placed before parliament, whenever it is in session

⇒ List of topics present in scanner absent in study material

1. there is no concept of annuity in life insurance policy now so Dec-13 question no u/c) stands cancelled

2. There is no concept of minimum deposit % by insurance companies as against Banking companies so June 15 Q2(C)(11) stands cancelled
3. Nominee can be anyone, whether family member or stranger, whether Major or Minor but if the nominee is minor or physically or mentally incapable, a guardian must also be appointed (Q2(b)(11) dec 15)

Past examination Questions

- June 2017 8 b 4 Marks - Refer Actuarial valuation Report
- Dec 2018 8 3rd 4 Marks - Refer Record of policies and claims
- Dec 14 2 c 3 Marks - Refer commencement of policy
- June 16 Q3C 5 Marks - Refer policy not to be questioned after 3 years
- June 17 6 b(11) 6 Marks - Refer Principle of Insurable interest
- Dec 17 Q7 b 4 Marks - Refer paid up capital Restrictions and preliminary expenses will not be added in determining capital.
- Dec 15 2 b 3 3 Marks - Refer Minor as nominee
- Dec 16 3 b(1) 5 Marks - Refer capital Restrictions
- June 2018 5 c 2 3 Marks - Refer loan by insurance company to its Director
- June 2019 Q7(a)(i) 2 Marks - Refer principles