



To: The Honorable Nirmala Sitharaman  
Minister of Commerce and Industry  
Government of India  
Udyog Bhawan  
New Delhi 110 001  
INDIA

Date: 9 January

Subject: GFIA comments IRDAI decision regarding mandatory public listing of insurers

Dear Minister Sitharaman,

The Global Federation of Insurance Associations (GFIA) is a representative association comprising 41 regional and national insurance and reinsurance associations that constitutes 87 percent of global insurance and reinsurance premiums, representing thirty trillion U.S. dollars in global assets.

On behalf of the member institutions comprising GFIA, I would like to convey our thanks for agreeing to take up the issue of mandatory public listing of insurers, as highlighted in the joint statement following the recent U.S.-India Trade Policy Forum. We understand that the Insurance Regulatory & Development Authority of India (IRDAI) no longer plans to issue this regulation which would have significantly weakened India's investment climate for insurers.

India's insurance market is one of the most attractive in the world. International (re)insurers are pleased to have played a key role in increasing insurance penetration in India, particularly with the original insurance reforms by the Vajpayee government in 1999. This far-sighted reform has led to the creation of a wider social safety net and enabled former monopoly insurers to show their ability to innovate and adapt in the face of private sector competition.

International (re)insurers look for markets that offer both growth prospects as well as regulatory stability. Of course, more technical regulations governing products will always be scrutinized for improvement by regulators; companies generally support this as it maintains consumer trust and the reputation of the industry. However, regulation of fundamental aspects of the business model should be revised less often to help ensure high levels of legal certainty.

The recent amendments to the Insurance Act contained key changes to "management and control" of insurance joint ventures. These new requirements forced insurers to revisit their joint venture agreements to accommodate the changes. The prospect of a review of the amendments so soon, to accommodate the mandatory public listing regulation, was discouraging; the debate was therefore closely followed by global (re)insurers, in particular those who have not yet entered India.



GLOBAL FEDERATION OF INSURANCE ASSOCIATIONS

We appreciate that IRDAI's primary objective had been to increase transparency in the listing of Government owned companies. However, this was later expanded to all companies, which we believe would have ultimately been counterproductive to India's foreign investment goals. GFIA, however, remains fully supportive of working with IRDA to explore alternative ways to increase transparency without having to revise shareholder agreements.

We thank you once again for maintaining regular dialogue with your international counterparts on key regulatory issues, including on this issue of mandatory public listing of insurers, and look forward to continuing this open exchange of views going forward.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Brad Smith", with a long, horizontal flourish extending to the right.

Brad Smith  
Chair, GFIA Trade Working Group  
[BradSmith@acli.com](mailto:BradSmith@acli.com);

#### About GFIA

Through its 41 member associations, the Global Federation of Insurance Associations (GFIA) represents the interests of insurers and reinsurers in 60 countries. These companies account for around 87% of total insurance premiums worldwide. The GFIA is incorporated in Switzerland and its secretariat is based in Brussels.