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A conceptual photograph showing a hand holding a small, textured umbrella over a family of four wooden figures (two adults and two children) standing on a reflective surface. A small wooden house is positioned under the umbrella. The background is dark and out of focus.

Knowledge Management

Semi-Annual Insurance
Compendium 2025

January – June 2025

Semi-Annual Insurance Compendium 2025



Introduction

The Insurance Regulatory and Development Authority of India (“IRDAI”) has been taking relevant steps to boost insurance penetration, facilitate ease of doing business and augment the growth of the sector in India, as it holds significant importance.

In the first half of the calendar year 2025, there have been a few interesting developments in the insurance sector.

In the Budget 2025-2026 speech, the Government of India (“GoI”) is expected to introduce amendments to the Insurance Act, 1938, to facilitate 100% foreign direct investment in the insurance sector. It is likely that the bill amending the Insurance Act, 1938, may be presented before the Parliament in the winter session.

In March 2025, IRDAI issued the first private Indian reinsurer licence to Valueattics Reinsurance Limited.

Further, the recently announced ‘India – United Kingdom Comprehensive Economic and Trade Agreement’ offers a framework governing trade in financial services between India and the United Kingdom, as it encompasses a broad range of activities including direct insurance (life and non-life), reinsurance, insurance intermediation such as brokerage and agency, and auxiliary services like

consultancy, actuarial, risk assessment, and claim settlement. By ensuring national treatment and market access for insurance and insurance-related services, the agreement aims to foster fair competition, enhance consumer protection, and promote regulatory transparency. The sector’s inclusion underscores its critical role in financial stability, risk management and the facilitation of cross-border investment and trade, thereby supporting the broader objectives of economic growth and cooperation between the 2 (two) countries.

IRDAI continues to drive innovation, policyholder protection, efficiencies in its processes, and data security reforms in the insurance industry. *Bima Manthan* serves as a platform where all stakeholders, insurers, regulators, and industry leaders, convene to address pivotal issues and shape the sector's future. In the 9th edition of *Bima Manthan* held in February 2025, the stakeholders discussed various matters including leveraging technology and encouraging innovation, strengthening of risk management efforts, improved transparency and disclosure standards, and roll out of transformative initiatives such as the State Insurance Plan and Bima Trinity (comprising *Bima Sugam*, *Bima Vahak*, and *Bima Visataar*).

To support these priorities, IRDAI has continued to propose and notify new principle-based regulations to

ensure a forward-looking and efficient regulatory environment. Key among these are updates to the regulatory sandbox framework to promote experimentation, new rules governing the maintenance and sharing of information by regulated entities, and amendments to existing governance regulations related to meetings of IRDAI and advisory committees. Altogether, these reforms are designed to drive sustainable growth, operational efficiency, and strengthened policyholder protection as India advances toward a more inclusive and resilient insurance ecosystem.

This Compendium consolidates all key developments pertaining to the insurance sector which were circulated as a part of the JSA Prisms and Newsletters during the calendar period from January 2025 to June 2025.



Modifications to the *pradhan mantri fasal bima yojana* and restructured weather-based crop insurance scheme

The Union Cabinet, *vide* press release dated January 1, 2025¹, approved the continuation of the *pradhan mantri fasal bima yojana* and restructured weather-based crop insurance scheme till 2025-26, to help in risk coverage of crops from non-preventable natural calamities for farmers across the country. Additionally, the Union Cabinet agreed to create a fund for innovation and technology with a corpus of INR 824.77 crore (Indian rupees eight hundred and twenty-four point seventy seven crore) for large scale technology infusion in implementation of the scheme which would

lead to increase in transparency and claim calculation and settlement. This will be utilised for funding technological initiatives under the scheme, namely, Yield Estimation System using Technology and Weather Information and Network Data Systems as well as research and development studies.

Re-enactment of regulations concerning maintenance of records and sharing of confidential information

IRDAI, *vide* notification dated January 3, 2025, issued the IRDAI (Maintenance of Information by the Regulated Entities and Sharing of Information by the Authority) Regulations, 2025 (“**Information Regulations**”)² to enable:

1. IRDAI to share information judiciously considering the principles of confidentiality including consent, disclosure, security, rights and interests of the stakeholders who provide such information to IRDAI;
2. insurers to maintain data as required for its operations in electronic form, ensure security as well as compliance with applicable laws and adopt an established data governance framework; and
3. insurers and intermediaries (including insurance intermediaries) to maintain all basic, necessary and relevant data and information to enable the investigating officer appointed by IRDAI to investigate or inspect the affairs of any insurer or intermediaries (including insurance intermediaries) and report to IRDAI on any such investigation.

The Information Regulations have consolidated and repealed the following regulations:

1. IRDAI (Sharing of Confidential Information Concerning Domestic or Foreign Entity) Regulations, 2012;
2. IRDAI (Maintenance of Insurance Records) Regulations, 2015; and
3. IRDAI (Minimum Information Required for Investigation and Inspection) Regulations, 2020.

The Information Regulations mandate electronic record-keeping with robust security and privacy

¹ Press Release dated January 1, 2025. PIB Release ID: 2089249.

² Notification dated January 3, 2025. CG-TL-E-09012025-260068.

measures and require Regulated Entities³ to adopt data governance framework and implement board approved policies for record maintenance.

The key features under the Information Regulations are as below:

1. Sharing of confidential information by IRDAI:

(a) information sought by a Requesting Entity⁴ from IRDAI about a Requested Entity⁵ is categorised as:

- i. information available in public domain of either IRDAI or Regulated Entities or Requested Entities or any statutory/ public body; or
- ii. information not available in public domain, but available with IRDAI;

(b) IRDAI may share details of the applicable public domains, if such information is available in the public domain. In respect of information available with IRDAI, IRDAI may consider the disclosure of information to the Requesting Entity only if a written request is made, applicable law permits sharing of information, the Requested Entity is informed, and their prior written consent is obtained and the Requesting Entity undertakes that such information is required for lawful performance of duties. Further, information not available in the public domain will be considered on merit and assessed for its shareability. Such assessment will be guided inter-alia by considerations, such as, nature of information sought, convincing reasons for request, principles and maintenance of confidentiality of information sought. IRDAI reserves the right not to share any information which could potentially affect the stability of its Regulated Entity or the insurance sector as



a whole or to protect the public or policyholder's interest;

(c) if it is necessary to share any information provided by a Foreign Entity⁶ or a Requested Entity with any law enforcement or regulatory authority, IRDAI must notify the Requested Entity promptly and obtain its prior consent and ensure that each recipient agrees to maintain the confidentiality of the information provided; and

(d) where confidential information provided is subject to a legally enforceable request, IRDAI would notify the Requested Entity before complying with the demand and would use all reasonable legal means to resist such a demand or protect confidentiality of information if consent is not provided by the Requested Entity.

2. Maintenance of insurance records: Insurers (which includes a foreign reinsurer branch) are required to maintain a record of every policy issued and record of every claim made (as per the Insurance Act) and *inter alia* ensure that such records are complete, accurate and are maintained in electronic form. All such records pertaining to all policies issued and all claims made in India must be held in data centres located and maintained only in India. This requirement also applies in respect of records collected by insurers carrying on solely reinsurance business. Insurers are required to have a board approved policy on manner and maintenance of records and must ensure that the records are organised in the manner required for business use and easy retrieval.

3. Minimum information for investigation and inspection:

a) insurers, intermediaries and insurance intermediaries are required to maintain all records and information required to be maintained by them as per applicable law as applicable to their businesses as well as certain specified information (which includes, in case of insurers, records of proposals for insurance,

³ "Regulated Entity" means any entity coming within the regulatory domain of IRDAI or entity regulated by a foreign financial regulatory authority.

⁴ "Requesting Entity" means the entity requesting information relating to a Requested Entity.

⁵ "Requested Entity" means the domestic or foreign entity whose information is subject of disclosure under Information Regulations.

⁶ "Foreign entity" means a foreign financial regulatory authority or any foreign financial entity.

covers notes issued, policies, premium, endorsements, bank guarantees and deposits, claims and in case of intermediaries/insurance intermediaries, records of employees, policies solicited, claims serviced/surveyed, grievances and complaints) at their principal place of business in India. If it is not practicable to maintain such information in full detail at the principal place of business, such information may be maintained in a manner that the branches/offices maintain only the relevant information applicable to its working or in data centres located and maintained in India;

- b) the information, documents and data maintained should be reconciled with the audited financials, wherever relevant, and requirements under other applicable law. Such information must be maintained in electronic form and access to such information will be given to persons designated by IRDAI in case of investigations and inspections; and
- c) insurers, intermediaries and insurance intermediaries are required to put in place a board approved policy on maintenance of records and destruction of old records. These records, except those pertaining to settled claims (which are to be retained as per specified timelines), must be maintained for a minimum period of 10 (ten) years as per the applicable legal requirements, whichever is later:
 - i. from the date of last transaction on the respective records; or
 - ii. from the date of expiry of the policy.

Re-enactment of regulations concerning the Regulatory Sandbox framework

IRDAI, *vide* notification dated January 3, 2025, issued the IRDAI (Regulatory Sandbox) Regulations, 2025 ("**Sandbox Regulations**")⁷, to promote and facilitate innovation, adaptability and operational efficiency and ease of doing business in the insurance sector while ensuring orderly development of the sector and for protection of policyholders' interest. The Sandbox Regulations repeal the IRDAI (Regulatory Sandbox) Regulations, 2019 and aim at further strengthening the Regulatory Sandbox framework whereby relevant provisions of any of the existing regulations framed by IRDAI may be relaxed for a limited scope and limited duration, if necessary, during the experiment period.

The new Sandbox Regulations are more of principal-based whereby operational aspects (such as eligibility criteria of applicants, parameters for experimentation stage and liabilities/responsibilities of the applicant, duration of the experimentation period and extension period) will be addressed through a master circular.

Some of the key provisions of the Sandbox Regulations *inter alia* include:

1. Categories of application: Applicants (which may include insurers, intermediaries, an individual having prescribed minimum net-worth, other specified persons) may apply to the competent authority (i.e., chairperson or a whole time member/committee of whole-time members of officers as are determined by the chairperson) for promoting or implementing innovation in insurance in India across the insurance value chain (*previously, this was limited to categories such as insurance solicitation and distribution, insurance products, underwriting, policy and claims servicing*) and in any area that requires relaxation of any provision of the regulations, notification, master circular, guidelines, circular, etc. issued by the IRDAI, except those pertaining to prudential and financial condition/stability matters (such as capital, liquidity, investment, solvency). However, no relaxations would be granted for compliance with the Insurance Act, the Insurance Regulatory and Development Authority Act, 1999 ("**IRDA Act**") or other applicable statutes.



⁷ Notification dated January 3, 2025. CG-TL-E-09012025-260081.

2. Conditions for grant of permission: The competent authority may grant permission if applicant meets the eligibility criteria and if the application promotes innovation beneficial to the insurance sector which is either in the interest of policyholders or conducive for growth of the industry or would increase insurance penetration or would bring in efficiency in, or promote ease of doing, insurance business⁸. The permission may also be revoked (after providing an opportunity to be heard) if the above conditions are not met or the Insurance Act, IRDA Act, etc. are being violated.
3. Experimental period and extension: The permission would be granted for a specified time (*previously, this was specified as up to 36 (thirty-six) months*) and an applicant may seek an extension of the experimental period from the competent authority (citing reasons for the extension) which may be granted for a specified period (*previously, this was specified as a period not exceeding 12 (twelve) months*).
4. Review and conclusion: The competent authority (through a single point of contact) would review the progress and may guide the applicant in the form of suggestions. Upon completion of the allocated time period, the applicant must submit a report to the competent authority on how the proposal met the objectives, policyholders' feedback, etc. along with a plan of action as to how the proposal may be brought under the extant regulatory framework. If the competent authority is satisfied that the objectives of the proposal are met, it may grant permission for the proposal to be included in the extant regulatory framework. If not, then the proposal may be directed to be discontinued. Early termination may also be requested by the applicant if it is felt that the proposal will not be able to meet the desired objectives.
5. Inter-Regulatory Sandbox proposals: A key addition under the Sandbox Regulations is an enabling provision to file Inter-Regulatory Sandbox proposals, cutting across more than one financial sector. The process and procedures in dealing with such applications would be specified by the competent authority.

Enhancing efficiency in meetings of IRDAI

IRDAI, *vide* notification dated January 3, 2025, issued the IRDAI (Meetings)(Amendment) Regulations, 2025⁹, amending the IRDAI (Meetings) Regulations, 2000 with an objective to enhance the clarity and efficiency of its meetings. Some of the key amendments are as below:

1. IRDAI may meet as often as may be considered necessary but must meet generally 4 (four) times in a financial year (*previously, this was 4 (four) times in a calendar year*);
2. the chairperson (and in his absence, the senior most full-time member of the IRDAI) may now also decide upon the mode of the meetings of the IRDAI (*potentially, to facilitate virtual or hybrid mode meetings as well*);
3. while the notice and agenda for a meeting are required to be circulated 7 (seven) days in advance, shorter notice for meetings is now permitted with approval of the chairperson of the IRDAI;
4. the chairperson, may, by giving at least 24 (twenty-four) hours' notice (*previously, 48 (forty-eight) hours' notice was required*), convene an emergent meeting of the IRDAI at any time or place to consider any item requiring an urgent decision. Such emergent meetings may similarly be convened on 24 (twenty-four) hours' notice (*as opposed to a 48 (forty-eight) hours' notice*) upon written requisition of one-half of the total strength of the members stating the purpose for which they desire the meeting to be called; and
5. in case of an emergency, the chairperson may also call for an immediate meeting of the IRDAI.



⁸ The conditions relating to bringing in efficiency in insurance business and ease of doing insurance business are introduced under the Sandbox Regulations.

⁹ Notification dated January 3, 2025. CG-TL-E-08012025-260051.

Enhancing efficiency in functioning of the insurance and reinsurance advisory committees

To enhance the clarity and efficiency in advisory functions of the Insurance Advisory Committee (“IAC”) and Reinsurance Advisory Committee (“RAC”), IRDAI issued the IRDAI (Insurance Advisory Committee) (Amendment) Regulations, 2025¹⁰ and IRDAI (Reinsurance Advisory Committee) (Amendment) Regulations, 2025¹¹, amending the IRDAI (Insurance Advisory Committee) Regulations, 2000 and IRDAI (Reinsurance Advisory Committee) Regulations, 2019, respectively. Some of the key amendments are as follows:

1. the procedures for meetings of the IAC and RAC, each, have been amended to grant more flexibility:
 - a) the IAC may meet as often as may be considered necessary, but must meet generally 2 (two) times in a financial year (*previously, it was 2 (two) times in a calendar year*), for advising IRDAI on making regulations and on advising on other matters as may be prescribed;
 - b) the chairperson may now also decide upon the mode of the meetings of both, the IAC and RAC (*potentially, to facilitate virtual or hybrid mode meetings as well*);
 - c) while the notice and agenda for an IAC meeting is required to be circulated 7 (seven) days in advance, shorter notice for meetings is now permitted with approval of the chairperson. Further, emergent meetings may be convened on 24 (twenty-four) hours’ notice (*previously, 48 (forty-eight) hours’ notice was required for such meetings*).
2. provisions pertaining to resignation of any member of the IAC and removal of any member of the IAC or RAC from office have been amended, which provides as below:
 - a) any member of the IAC may offer resignation by giving a written notice addressed to the chairperson of IRDAI with resignation taking effect from the date on which it is accepted;

- b) IRDAI may remove any member of the IAC or RAC on certain grounds. These include the concerned member(s):
 - i. being adjudged as an insolvent;
 - ii. becoming physically or mentally incapable of acting as a member;
 - iii. being convicted of any offence involving moral turpitude;
 - iv. having acquired financial/other interest as may affect prejudicially his functions as a member;
 - v. having abused his position as member which renders his continuation as member detrimental to public interest;
 - vi. ceasing to attend 3 (three) consecutive meetings of the committee without sufficient cause; and/or
 - vii. being, in IRDAI’s opinion, no longer fit to remain a member.



Review of revision in premium rates under health insurance policies for senior citizens

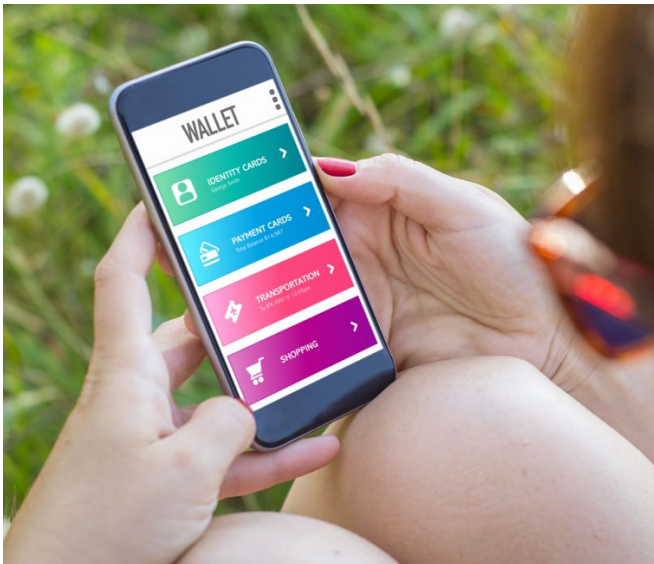
IRDAI, *vide* circular dated January 30, 2025¹², directed all general and health insurers (except Agriculture Insurance Company of India and Export Credit Guarantee Corporation of India), offering indemnity based individual health insurance products to senior citizens to take the following steps with immediate effect:

¹⁰ Notification dated January 3, 2025. CG-TL-E-08012025-260050.

¹¹ Notification dated January 3, 2025. CG-TL-E-09012025-260080.

¹² Circular dated January 30, 2025. IRDAI/HLT/CIR/MISC/27/1/2025.

1. not revise the premium for senior citizens by more than 10% per annum;
2. undertake prior consultation with the IRDAI,
 - a) if the proposed increase in the premium for senior citizens is more than 10% per annum; or
 - b) in case of withdrawal of individual health insurance products offered to senior citizens.
3. give wide publicity of the various measures taken for the benefit of senior citizens while offering health insurance products; and
4. take necessary steps for common empanelment of hospitals and negotiate package rates on the lines of Pradhan Mantri Jan Arogya Yojana scheme.



One-time mandate for blocking premium amounts through unified payments interface for issuance of life and health insurance policies

To facilitate smooth transactions of payment of premium and to bring operational ease in meeting the requisite requirements laid down by IRDAI (particularly, those concerning payment of premium only after the insurer communicates decision of acceptance of the proposal and no premium deposit being required to be paid to the insurer along with the proposal form, except in specified cases), a facility of the Unified Payments Interface (“UPI”) One Time Mandate (“OTM”) is permitted for use by insurers. The UPI feature would allow insurers to block funds in the

bank accounts of the concerned prospect for specific transactions, ensuring availability of funds while deferring actual payments (BIMA Application Supported by Blocked Amount, “**BIMA-ASBA**”).¹³ The key stipulations in respect of the BIMA-ASBA are as below:

1. in this facility, insurers can offer OTM for blocking certain amount (with the prospect’s explicit consent in the proposal form and subject to limits specified by the National Payments Corporation of India from time to time) through UPI in the bank account of the concerned prospect until the expiry of a maximum period of 14 (fourteen) days or until the date of the underwriting decision, whichever is earlier, during which time the blocked amount would not be available to prospect for any other use;
2. the amount blocked towards insurance premium will be debited only after the insurer decides to accept the proposal. In case the insurer does not accept the proposal, the amount will be unblocked and released at the disposal of the prospect within 1 (one) working day or automatically after expiry of 14 (fourteen) days from the date of initial blocking of funds;
3. insurers are mandated to offer BIMA- ASBA facility to its prospects for life and health insurance policies in addition to other existing options available for premium payment. Availing of the BIMA-ASBA facility is optional, and no proposal can be rejected for the reason that the prospect has not opted for BIMA-ASBA;
4. if the premium to be charged exceeds the blocked amount, then the insurer can use the facility to modify such mandates through one-time consent/authorisation of the prospect. Such modification would be allowed only once and must be done within the 14 (fourteen) day period from the date of the original mandate. If the premium to be collected is lower than the blocked amount, the insurer must collect only the reduced amount through the facility;
5. if the BIMA-ASBA is utilised, the risk would commence from the date of acceptance of the proposal irrespective of the debit from the account of the prospect; and

¹³ Circular dated February 18, 2025. IRDAI/PP&GR/CIR/MISC/37/02/2025.

6. at present, the facility of BIMA-ASBA are extended to individual policyholders. All insurers were required to go live and offer BIMA-ASBA facility to the prospects on or before March 1, 2025.



Obligatory cession for the financial year 2025-26

IRDAI, *vide* notification dated February 27, 2025, notified¹⁴ the percentage cession of the sum insured on each general insurance policy which is to be reinsured with the Indian re-insurer(s) as 4% in respect of insurance attaching during the financial year beginning from April 1, 2025, to March 31, 2026, except the terrorism premium and premium ceded to Nuclear pool (which would be 'NIL'). The entire obligatory cession is to be placed only with General Insurance Corporation of India.

The percentage of commission on obligatory cession for different classes of business is defined as follows:

1. minimum 5% for motor third-party and oil and energy insurance;
2. minimum 10% for group health insurance;
3. minimum 7.50% for crop insurance;
4. average terms for aviation insurance; and
5. minimum 15% for all other classes of insurance business.

Commission over and above, can be as mutually agreed between Indian re-insurer(s) and the ceding insurer.

Further, the Indian re-insurer must share the profit commission, on 50:50 basis, with the ceding insurer based on the performance and surplus of the total obligatory portfolio of the ceding insurer, after factoring the following:

1. incurred loss % (to be worked at the end of 3 (three) financial years);
2. management expenses at 2%;
3. profit at 5%; and
4. commission at 12.5%.

Guidelines permitting insurers to utilise equity derivatives to hedge their equity exposures

IRDAI, *vide* circular dated February 28, 2025¹⁵, issued the Guidelines on Hedging through Equity Derivatives ("**Hedging Guidelines**") under Clause 13 of Schedule III of the IRDAI (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024, which would allow insurers to use equity derivatives for hedging their existing equity exposures, subject to compliances mentioned in the Hedging Guidelines. These guidelines have been introduced with an objective for insurers to hedge against volatility in equity markets, ensure preservation of market value of equity investments and reduce equity portfolio risk.

Some of the key stipulations/compliances under the Hedging Guidelines are as below:

1. Insurers are permitted to use the following exchange traded equity derivatives to hedge their existing positions:
 - a) stock futures and index futures: Insurers may take short positions in stock futures and index futures (to the extent of existing holding of underlying equities in the respective funds). The short future positions will be taken within the same fund where the underlying equities are held; and
 - b) stock options and index options: Insurers may take position of an option holder (buyer) (but are allowed to buy only put options of stocks and indices against the existing underlying equity holding in the respective funds). The put options will be purchased within the same fund where the underlying equities are held.

Any over-the-counter exposure to equity derivatives is prohibited;

¹⁴ Notification dated February 27, 2025. CG-TL-E-28022025-261337.

¹⁵ Circular dated February 28, 2025, IRDAI/F&I/GDL/INV/041/02/2025.

2. funds such as unit linked funds which are allowed to invest in equity instruments, life funds, pension annuity and group funds as well as investment assets of general or health insurers will be permitted to use equity derivatives;
3. the equity derivatives must be used only for hedging purposes, against long positions in equities held by the insurer at the time of taking the derivative position;
4. the total equity derivative positions in a fund (stock futures, stock options, index futures and index options, all put together) at notional value must not exceed the market value of underlying equities held within the same fund on any day and passive breaches in the said limits must be corrected within 15 (fifteen) days;
5. before taking exposure to equity derivatives, the board and senior management of an insurer must take note of the nature of the risks undertaken, complexities involved, stress levels, etc. Further, insurers must put in place a board approved hedging policy; have proper information technology policies, process and infrastructure; and undertake regular and periodic audits. A robust corporate governance mechanism must be in place wherein the board and senior management reviews the contracts undertaken at periodic intervals to ensure that adequate risk measurement, management policy, procedures and controls have been established and that the positions taken are not prejudicial to the interest of the policyholders;
6. all equity derivative contracts must be recognised on the balance sheet and measured at fair value; and
7. insurers must intimate IRDAI before taking exposure to equity derivatives for the first time and are also required to furnish reports (on a quarterly basis) to IRDAI on total hedging position through equity shares and options, stock futures (short position), stock put options, etc., derivative turnover data, data pertaining to unwinding of equity derivative contracts and profit/loss booked on equity derivative transactions.



Exposure to forward contracts in government securities

Pursuant to the Reserve Bank of India (Forward Contracts in Government Securities) Directions, 2025, IRDAI, *vide* circular dated March 10, 2025¹⁶, permitted insurers to undertake transactions in Forward Contracts in Government Securities ("**Bond Forwards**") as users for hedging purpose subject to certain conditions, including the following:

1. insurers must undertake only long positions in Bond Forwards i.e. buying Bond Forwards;
2. Bond Forwards are not permitted for unit linked insurance plan/business;
3. insurers must comply with the Master Circular on IRDAI (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024, prescribed for interest rate derivatives, such as:
 - a) conditions of permitted purpose, regulatory exposure and prudential norms;
 - b) documentation requirements, accounting;
 - c) internal risk management policy and process;
 - d) suitability and appropriateness policy;
 - e) corporate governance; and
 - f) chief risk officer's role and responsibilities.
4. insurers must report the transactions in the Bond Forwards on a quarterly basis in line with reports stipulated for interest rate forward rate agreements; and
5. insurers must comply with the Reserve bank of India's directions issued for Bond Forwards and operational guidelines issued by Fixed Income Money Market and Dealers Association of India, with respect to settlement basis and market conventions, as amended from time to time.

¹⁶ Circular dated March 10, 2025. IRDAI/F&I/INV/CIR/43/03/2025.



Cyber incident and crisis preparedness

IRDAI, *vide* circular dated March 24, 2025¹⁷, reiterated that all Regulated Entities must strictly comply with the provisions of IRDAI Information and Cyber Security Guidelines, 2023 dated April 24, 2023 (“**Cyber Security Guidelines**”) on cyber incident/crisis preparedness to ensure effective readiness. Some of the key provisions of the Cyber Security Guidelines discussed, are as below:

1. reporting of any cyber incidents to IRDAI in prescribed format within 6 (six) hours of noticing or being brought to notice about such incident;
2. maintenance and monitoring of all information and communication technology infrastructure and application logs for a rolling period of 180 (one hundred and eighty) days;
3. the clocks of all relevant information processing systems within the organisation or security domain being synchronised with the Network Time Protocol (“NTP”) Server of National Informatics Centre or National Physical Laboratory or with NTP Servers traceable to these NTP servers;
4. documenting of information sharing arrangements in a cyber crisis management plan as a part of organisations response for cyber-attacks;
5. performance of forensic investigation for severe information security incidents and engagement of certified external forensic experts as and when required; and
6. adherence to the directions issued by Indian Computer Emergency Response Team (“CERT-In”) from time to time, including relating to incident reporting to the CERT-In as per directions issued by CERT-In in relation to information security practices, procedure, prevention, response, and reporting of cyber incidents for safe and trusted internet.

Further, all Regulated Entities must establish a well-defined procedure/practice to ensure that the forensic auditor(s) are empaneled in advance and can be onboarded to conduct forensics and root cause analysis of cyber incidents without any delay. It must also be ensured that the vendor handling security operation center, attack surface monitoring, red teaming, or conducting the annual assurance audit or any cyber security aspect of Regulated Entities is not engaged as the forensic auditor for the incident to avoid a conflict of interest.

All Regulated Entities, including insurance intermediaries, are required to place compliance with the above provisions in their upcoming board meeting and submit the minutes of the meeting to IRDAI for information.

¹⁷ Circular dated March 24, 2025. IRDAI/GA&HR/CIR/MISC/49/03/2025.

Insurance Practice

JSA is a trusted advisor to leading insurers, reinsurers, brokers, underwriters and consultants on complex transactions, disputes, financing and regulatory and commercial matters. The team with domain-expertise in the sector has an unparalleled ability to assist insurers in their Indian operations. JSA has been keenly involved in advising private players both in life and non-life insurance sectors on diverse matters relating to: (a) Regulatory approvals; (b) Compliance requirements; (c) M&A transactions; (d) corporate and regulatory issues; (e) Litigation relating to insurance claims.

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12 Practices and 50 Ranked
Lawyers



20 Practices and
22 Ranked Lawyers



8 Practices and
10 Ranked Lawyers
Highly Recommended in 5 Cities



Recognised in World's 100 best
competition practices of 2025



Among Best Overall
Law Firms in India and
14 Ranked Practices



Asia M&A Ranking 2024 – Tier 1

Employer of Choice 2024

Energy and Resources Law Firm of
the Year 2024

Litigation Law Firm
of the Year 2024

Innovative Technologies Law Firm of
the Year 2023

Banking & Financial Services
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