

General statement of response to the public comments on Exposure draft of Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of Insurers) (Amendment) Regulations, 2026

Public comments have been received from various stakeholders, including insurers, individuals and professional firms. Provided below is the gist of public comments along with the response of Insurance Regulatory and Development Authority of India (IRDAI).

S. No.	Public Comments	IRDAI Response
1.	<p>Implementation Timelines Some stakeholders support implementation from 1 April 2026, many have either suggested extension to 1 April 2027 or suggested phased implementation. Key challenges highlighted include legacy systems, lack of historical data and complexities in large-scale system integration.</p>	<p>Mandatory adoption of Ind AS for all insurers with effect from 1 April 2026.</p> <p>For insurers who are unable to prepare and present financial statements in compliance with Indian Accounting Standards, forbearance may be granted for one year subject to requirements specified in the regulations.</p> <p>Also, during the period of forbearance, the insurer shall also prepare and submit to the Authority, financial information in accordance with Ind AS on a quarterly basis.</p>
2.	<p>Parallel Submission: Broadly stakeholders have supported parallel submission during transition.</p> <p>Many stakeholders suggested minimum two years' parallel submission with current applicable accounting framework / IGAAP as statutory reporting. Key areas requiring clarity include duration and frequency of reporting (quarterly/annual), scope of IGAAP submissions (full vs abridged), audit vs limited review requirements and reconciliation between IGAAP and Ind AS results.</p>	<p>Parallel reporting shall be required for a period of two years or such period as may be specified. This will include preparation of Financial Statements in accordance with Ind AS and Financial Information in accordance with the current applicable accounting framework/ IGAAP.</p> <p>Further, any other requirements related to parallel submissions will be specified in the due course.</p>
3.	<p>Segregation of Policyholder & Shareholder Funds: Broadly stakeholders are in alignment with the proposed approach. However,</p>	<p>Maintenance of separate accounts for Policyholder and Shareholder funds shall continue as mandated under the Insurance Act, 1938. Further</p>

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	some have suggested guidance on the identification and presentation of policyholder and shareholder fund segregation under Ind AS financial statements.	clarifications, if any, on fund segregation will be specified separately.
4.	<p>Annual Cohort: Many stakeholders have raised concerns on the proposed retrospective annual cohort requirement (10/15/20 years), referring to transition relief provided under Para C10 read with Para 24 of Ind AS 117.</p> <p>Few stakeholders have also suggested exemption of annual cohort requirement under participating business.</p>	<p>In view of the public comments received, the proposal of retrospective annual cohort requirement is not considered for the regulation.</p> <p>However, on transition, Insurers shall comply with the annual cohort requirement under Ind AS 117, including for participating insurance business.</p>
5.	<p>Surplus: Stakeholders are broadly aligned with actuarial surplus as the basis for distribution of surplus. Clarity is sought on the presentation of non-distributable retained earnings, basis for determination of actuarial surplus, and inclusion of a standard reconciliation format (Actuarial surplus vs Ind AS profit).</p>	<p>Section 49 (Restriction on dividends and bonuses) of the Insurance Act, 1938 (as amended by the Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Act, 2025) shall continue to govern the distribution of surplus for all insurance business.</p> <p>A separate line item for non-distributable retained earnings has been incorporated in the financial formats. Further clarifications, if any, for determining actuarial surplus will be specified separately.</p>
6.	<p>Risk Free Rate (RFR): Broadly Stakeholders have supported alignment of risk free rate with the proposed Risk Based Capital framework while seeking interim guidance until the framework is finalised.</p> <p>Clarification is also sought on whether discounting is restricted to the risk-free rate and whether the application of illiquidity premium and the Top-Down approach is allowed.</p>	<p>The reference for determination of the risk-free rate for discounting of liabilities will be specified separately. Further, it is clarified that illiquidity premium and the Top-Down approach shall be applicable as per provisions of Ind AS 117.</p>
7.	<p>Audit: Stakeholders have highlighted the need for clarity on the independent validation</p>	<p>Independent validation of process adopted in implementation of Ind AS shall be obtained by the Insurers</p>

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	framework, particularly the scope vis-à-vis statutory audit and publication of an empanelled auditor list. Further, there is suggestion for continuation of peer review/independent actuary review as in proforma submissions.	during the first year or for such period as may be specified. The scope and manner of such validation to be provided in consultation with Joint Expert Group.
8.	Solvency Framework: Stakeholders broadly supported continuation of current applicable framework for valuation of assets and liabilities for solvency purposes until the proposed Risk Based Capital (RBC) framework is implemented. Other suggestions include implementing RBC prior to Ind AS, aligning solvency requirements with proposed RBC framework.	For Solvency purpose, Sections 64V and 64VA of Insurance Act, 1938 shall continue to apply for insurers. Further, it is expected that implementation of Ind AS will provide a sound foundation for subsequent calibration and implementation of proposed RBC framework, thereby ensuring more informed and effective transition.
9.	Other Regulatory Requirements: Stakeholders have sought clarity on various regulatory aspects, including the applicability of Schedule I (Actuarial Functions) of IRDAI (Actuarial, Finance and Investment functions of Insurers) Regulation, 2024 and relevant Master Circulars, Regulation/ Circular related to Investment function, expenses of management, submission of returns/ public disclosures.	Clarification on the mentioned regulatory aspects will be provided separately. Further, Section 13 (Actuary Report) of the Insurance Act, 1938 (as amended by the Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Act, 2025) shall be applicable to all Insurers.
10.	Guidance: Stakeholders have highlighted the need for implementation support, including issuance of FAQs, guidance notes, and a dedicated helpdesk during the transition period.	A Joint Expert Group on Ind AS is proposed to be constituted with representation from the IRDAI, National Financial Reporting Authority (NFRA), Securities and Exchange Board of India (SEBI), Institute of Chartered Accountants of India (ICAI), and Institute of Actuaries of India (IAI) for the purpose of examining and addressing issues arising in the course of implementation of Indian Accounting Standards by insurers.
11.	Taxation: Stakeholders have highlighted the need for clarity on	For tax purpose, applicable tax laws shall continue to apply.

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	taxation under Ind AS, with many recommending continuation of IGAAP / Form I basis for tax computation.	
12.	Other clarifications / issues including Ind AS Financial Statement formats and Key performance parameters of insurers have been sought by some stakeholders.	Clarifications, if any, on these issues will be provided separately.

The above comments/ suggestions received within the prescribed timeline (3rd March, 2026 - 24th March, 2026) were considered and placed before the Competent Authority. Necessary modifications / changes have been carried out on the Draft Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of Insurers) (Amendment) Regulations, 2026.