Annexure- 1

EXPOSURE DRAFT

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA (PROCEDURE FOR MAKING REGULATIONS AND SUBSIDIARY INSTRUCTIONS) REGULATIONS, 2026

In exercise of the powers conferred by clause (zd), (zca) and (zcb) of sub section (2) of Section 114A of the Insurance Act, 1938 and section 14 and section 26 of Insurance Regulatory and Development Authority Act, 1999, the Authority, in consultation with the Insurance Advisory Committee, hereby makes the following regulations, namely, -

CHAPTER I
PRELIMINARY

1. Short title and commencement

(1) These regulations may be called the Insurance Regulatory and Development Authority of India (Procedure for making Regulations and Subsidiary Instructions) Regulations, 2026.

(2) These regulations shall come into force on the date of their publication in the Official Gazette.

(3) These Regulations shall be reviewed once every three years from the date of publication, unless a review, repeal or amendment is warranted earlier.

2. Objective

To lay down the framework for making regulations and issuing subsidiary instructions. The framework seeks to standardize the process of making Regulations in a transparent and consultative manner.

3. Definitions

(1) In these regulations, unless the context otherwise requires, -

(a) ‘Act’ means the Insurance Act, 1938 (4 of 1938);

(b) “Authority” means the Insurance Regulatory and Development Authority of India established under sub-section (1) of section 3 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999);

(c) ‘Consultative Committee’ means the Committee constituted by the Authority under Section 114C of the Act.

(d) ‘public comments’ means the feedback, suggestions, observations or objections received on the proposed regulations or amendment to regulations from any person including stakeholders, associations or organizations.

(e) ‘Regulations’ means the regulations framed by the Authority under section 114A of the Act or Section 26 of the IRDA Act,1999.

(f) ‘Subsidiary Instructions’ mean the instructions issued under section 114B of the Act.

(2) All words and expressions used herein and not defined in these regulations but defined in the Insurance Act, 1938 (4 of 1938) or the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999) or any Rules or Regulations made thereunder shall have the meanings respectively assigned to them in those Acts or Rules or Regulations.

CHAPTER II
MAKING OF REGULATIONS

4. Making of regulations

The Authority may make regulations as are necessary to carry out the purposes of the Act and the Insurance Regulatory and Development Authority Act, 1999.

5.Principles of Regulations

The Authority shall inter alia take into consideration the following principles while making of regulations:

a. protection of the interests of holders of insurance policies;
b. ensuring orderly growth of the insurance industry;
c. improving the quality of insurance services and the trust in the sector;
d. transparency, proportionality and accountability in regulation making;
e. ease of doing business and rationalisation of compliances;
f. leveraging technology for regulatory efficiency;
g. adopting best practices.

6. Procedure for Public Consultation for framing of Regulations

(1) Before issuance of a Regulation, the draft Regulations shall be published along with a statement of particulars on the website inviting public comments.

(2) The statement of particulars shall, *inter alia*, include:

a. the enabling statutory provision(s) that empower the Authority to make such Regulations;
b. a statement of the regulatory intent and objectives of the proposed regulations;
c. a statement on global best practices, if any; and
d. The manner and timelines for receiving comments from the public.

(3) The Authority shall provide at least 21 days for receiving public comments.

(4) The Authority shall consider the public comments received and publish a general statement of its response to the public comments on its website not later than the date of notification of regulations.

Provided that if the Authority considers to approve the Regulations in a form substantially different from the proposed draft that was issued for public comments, other than changes made in consideration of comments received by it, it shall repeat the process under this Regulation.

(6) On approval of the Authority, the regulation shall come into force from the date of its publication in the Official Gazette unless a different date is specified therein.

7. Economic analysis

(1) The Authority may carry out economic analysis of the proposed regulations, which shall include the following:

(a) expected costs and benefits to the policyholders, stakeholders and economy due to the proposed regulation;

(b) how the proposed regulation further strengthens the objectives of the Authority.

8. Consultation with Insurance Advisory Committee

In addition to the above public consultation, the draft regulations shall also be placed before the Insurance Advisory Committee for consultation in accordance with Section 26 of Insurance Regulatory and Development Authority Act, 1999.

9. Additional Consultation Mechanism and Constitution of Committee(s)

(1) Without prejudice to provisions of these regulations, the Authority may provide for additional mechanism(s) for engaging with stakeholder(s), as deemed necessary.

(2) The Authority may constitute regulation advisory committee(s) or advisory group on regulations or consult external experts as it may consider appropriate, for providing recommendations on the proposed regulations or amendments to the regulations.
(3) Authority shall ensure absence of any conflict of interest, which could influence performance of the duties and responsibilities of the members of such committee(s) and advisory group.
(3) The mandate and other terms of reference of the regulation advisory committee(s) and advisory group on regulations shall be as decided by the Authority.

CHAPTER III
SUBSIDIARY INSTRUCTIONS

10. Scope and nature of subsidiary instructions

(1) The Authority may issue Subsidiary Instructions for the purposes specified in sub section (1) of section 114B of the Act, namely—

(a) clarifying the ambiguity of any regulation, if any; and

(b) laying down any procedural requirement ancillary to any regulation:

(2) Subsidiary instructions shall not—

(a) create any substantive rights or obligations;

(b) amend, override, or be inconsistent with any regulation or rules or provision of the Act or Insurance Regulatory and Development Authority Act, 1999.

11. Persons competent to issue subsidiary instructions

(1) Subsidiary instructions may be issued by—

(a) the Chairperson; or

(b) one or more whole-time Members authorised by the Chairperson; or

(c) jointly by the Chairperson and one or more whole-time Members.

(2) Every subsidiary instruction shall expressly mention—

(a) the regulation to which it relates; and

(b) the specific purpose under sub section (1) of section 114B.

12. Procedure for issuing subsidiary instructions

(1) Before issuing any subsidiary instruction, the Authority shall consult Consultative Committee constituted under these regulations.

(2) The Authority may consult Insurance Councils, associations or organisations of insurance intermediaries, agents and other stakeholders before issuing any Subsidiary Instruction.

13. Constitution of Consultative Committee(s)

(1) The Authority shall constitute one or more Consultative Committees for the purposes of section 114B and section 114C of the Act.

(2) Each Consultative Committee shall consist of the following members—

(a) Independent external experts, one of whom shall be appointed as the Chair;

(b) representatives of insurers or intermediaries or policyholders as may be determined by the Authority; and

(c) officers of the Authority.

(3) The independent external experts shall be nominated on the basis of the following:

(a) A person of eminence with knowledge and experience in the field of insurance, economics, finance, law, information technology or any other field considered relevant for the insurance sector; and

(b) Absence of any conflict of interest, which could influence performance of their duties and responsibilities at the time of nomination and also during the tenure of the Consultative Committee.

(4) The term of office of members, procedure of conducting meetings including quorum and other terms of reference shall be as decided by the Authority.

(5) If a vacancy arises in the Consultative Committee, the Authority may nominate another member to hold office,

14. Functions of Consultative Committee

(1) The Consultative Committee shall advise the Authority on—

(a) matters relating to the making of the subsidiary instructions under section 114B; and

(b) any other issue as may be determined by the Authority.

(2) The advice of the Consultative Committee shall be recommendatory in nature and shall not be binding on the Authority.

15. Publication and Commencement

(1) All subsidiary instructions issued shall be published on the website of the Authority; and

(2) Subsidiary instructions shall come into effect from the date specified therein.

CHAPTER IV
AMENDMENT AND REVIEW

16. Amendment of Regulations and Subsidiary Instructions

(1) An amendment to existing regulation shall follow the same procedure as specified in Chapter II.

(2) An amendment to existing Subsidiary Instructions shall follow the same procedure as specified in Chapter III.

17. Review of Regulations

(1) The Authority shall periodically undertake a review of the Regulations in force including the Subsidiary Instructions issued thereunder, keeping in view the following:

(a) whether the stated objective(s) vis a vis the interest of policyholders and the growth of the insurance industry have been achieved;

(b) Regulatory Impact of the regulations, wherever feasible.

(b) experience gained through supervision and enforcement actions;

(c) experience of its implementation;

(d) relevant orders passed by courts or tribunals;

(e) global best practices, if any;

(f) relevance and needs of a changed environment;

(g) the scope for reducing redundancies;

(h) promoting ease of doing business and

(i) any other factor considered relevant by the Authority.

(2) Authority may constitute a regulation review committee as it may consider appropriate, for review of the regulations. The Committee may include external experts as required.

(3) The terms of reference of the regulation review committee shall be as decided by the Authority.

CHAPTER V
MISCELLANEOUS

18. Urgent Regulations and Subsidiary Instructions:

(1) Where the Authority is of the opinion that certain regulations are required to be made or existing regulations are required to be amended urgently in public interest or the subject matter of the regulation relates solely to internal functioning of the Authority, it may dispense with the condition of publishing draft regulations and record the reasons for doing so.

(2) Where certain subsidiary instructions are required to be made urgently, Authority may do so, without consulting the Consultative Committee after recording the reasons thereof.

19. Savings:

(1) Regulations which are in force as on the date of coming into force of these regulations shall remain valid unless amended or repealed.

(2) No regulation issued prior to the commencement of these regulations, or any action taken under the said regulations, shall be invalid merely by reason of non-adherence of the procedure specified in these regulations.