**Summary of the comments received on Exposure draft on Insurance Regulatory and Development Authority of India (Policyholders Education and Protection Fund) Regulations, 2026**

| S.No | Particulars | Comments of the dept |
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| 1. | **4. Establishment of Fund:** Some of the stakeholders have stated that the Authority should clarify the mechanism for entering into contracts, grants, and MoUs for implementation of Fund-supported activities under the PEPF. | These are the operational aspects and can be addressed through administrative orders. |
| 2. | **5. Amounts to be credited to the Fund:** a few of the stakeholders have suggested to<br>(a) include investment income earned on the corpus as a source of the Fund.<br>(b) preserve the rights of eligible claimants even after transfer of undistributed disgorgement amounts to the Fund. | • As investment income on the corpus fund shall only be utilized for the purpose specified in the Regulations, it shall not form part of the Corpus Fund so that unspent income of a year is available for utilization in next year.<br>• Suggestion on rights of eligible claimants even after transfer of undistributed disgorgement amounts to PEPF may be accepted. |
| 3 | **6. Utilisation of Fund:**<br>(1) Permit the Authority to utilise the corpus fund in exigent circumstances, subject to a minimum corpus threshold, such as for critical technology infrastructure etc.<br>(2) Unclaimed Amount Recovery Infrastructure: Clarify the scope, governance, operational guidelines, implementation timelines, and shared industry infrastructure for centralised unclaimed amount recovery platforms and related digital initiatives. | (1) Technology infrastructure is already specified as one of the cause for which the investment income can be utilised. The objective of a corpus fund is to create a permanent pool of capital that is preserved and invested so that the income or returns generated can be used to support an organization's objectives over the long term. Utilisation of corpus fund shall diminish the ability to spend for the purpose of achieving the objectives of the Fund on long terms basis.<br>(2) **The** regulations only provide the activities which may be financially supported by the Fund. The timelines, scope, governance |

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| | | etc. are not under the ambit of these regulations. |
| 4 | **7.2 Constitution of the Committee**: Broaden the composition of the Committee by including<br><br>(i) additional representation from the Life Insurance Council, recognised insurance intermediary bodies, and policyholder representatives.<br>(ii) Replace the two independent members with one representative from the grassroots consumer/NGO sector and one representative from recognised policyholder forums.<br>(iii) Prescribe eligibility, independence, and disqualification criteria for independent members, along with annual declarations of independence- | • The composition of the Committee is broadly in alignment with the other similar regulations put in place by other financial sector regulators.<br>• Also, the maximum term for which a person can hold this position shall be four years. This will provide opportunities for new individuals to join the Committee and contribute their ideas, expertise, and perspectives. |
| 5 | **9.2: Meetings of the Committee**: Revise the quorum requirements to ensure participation of independent and stakeholder representatives, while facilitating the effective functioning of the Committee. | The Quorum specified in the regulations is three. Thus, presence of at least one member either Independent or a representative of Council is must. |
| 6 | **9.3 Meetings of the Committee**: Prescribe for periodic review of the members' interest register by the Authority. | The suggestions may be accepted. |
| 7 | **10.2 Expenses of the Committee**: Prescribe a cap on administrative and governance expenses payable from the Fund to ensure that the majority of the investment income is utilised for policyholder-focused activities | Attention is drawn to regulation 10 which provides that the expenses including travel and other allowances of members of the Committee, who are not officials of the Authority, and invitees who are not officials of the Authority, shall be borne out of the Fund. Expenses for the officials of the Authority |

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| | | shall be borne by the Authority. Hence, the majority of the investment income shall be utilised for the activities specified in regulation 6 (2). Also, similarly placed regulations of other financial sector regulators contain a similar provision. Hence, we may continue with the existing preposition. |
| 8 | **11.5 Maintenance of accounts and audit of accounts**: Clarify whether the Fund's audited financial statements, annual accounts, and audit reports will be made publicly available. | Financial Statement of the Authority are not placed on the website of the Authority. The same approached may be followed for the financial statement of the Fund also and the same may not be published. |
| 9 | **12. Investments of the Funds**:<br>(i) Restrict investments of the Fund to Government securities, treasury bills, and other sovereign or Government-backed instruments.<br>**(ii)** The investment policy should specify permitted investments, risk limits, duration limits, liquidity norms, monitoring mechanisms, and disclosure requirements | The suggestion may be accepted. |