



भारतीय बीमा विनियामक और विकास प्राधिकरण  
INSURANCE REGULATORY AND  
DEVELOPMENT AUTHORITY OF INDIA

**Cir No:** IRDAI/RBC/CIR/MM/158/8/2023

**Date:** 10.08.2023

**Circular**

To,

**All Insurers including Branches of Foreign Reinsurers, Lloyds India**

**Subject: Technical Guidance in respect of Indian Risk Based Capital Framework –  
Quantitative Impact Study-1**

1. This circular is issued in exercise of powers conferred by Section 14 (2) (e) of the Insurance Regulatory and Development Authority Act, 1999.
2. **Applicability:** This circular shall be applicable to all Life Insurers, General Insurers, Standalone Health Insurers, Reinsurers, Branches of Foreign Reinsurers and Lloyds India.
3. The Insurance Regulatory and Development Authority of India (IRDAI) has been taking various initiatives to align the Indian Insurance Industry with the global best practices with the aim of ease of doing business and finally to achieve the last mile of 'Insurance for All by 2047'. One of the key initiatives pertains to development and implementation of a Risk Based Capital (RBC) Framework for Indian insurance industry. As a part of this endeavour, a dedicated RBC Mission Mode team was constituted with the explicit objective of rationalizing the current capital and solvency requirements.
4. After detailed study, deliberations and discussions on global practices including Insurance Capital Standard and Insurance Core principles of International Association of Insurance Supervisors (IAIS), considering various other documents available in the public domain including RBC framework of other jurisdictions and submissions of Economic Capital reports by insurers, discussions with various foreign supervisory authorities and extensive consultation with insurance industry, an initial Technical Guidance document has been prepared detailing the Indian Risk Based Capital (Ind-RBC) framework for carrying out the first Quantitative Impact Study (QIS1).

5. The QIS1 shall be the first major step towards desired transformation and shall help in assessing the likely impact on the Indian Insurance Industry of the proposed framework for quantification of capital and solvency requirements following a Risk based approach. The results of QIS1 shall be submitted by insurers on or before 30th November 2023.
6. Insurers shall carry out the QIS1 as per the Technical Guidance document with the data used for Actuarial Valuation as at 31st March, 2023. Technical Guidance document and requirements regarding associated templates for submission of results, mode of submission of results from QIS1 exercise along with supplementary information is being informed separately to the insurers.
7. As clarified above, QIS1 results shall indicate initial assessment and the Technical Guidance on proposed framework may further be refined based on these results as well as suggestions/feedback from the industry. The insurers may please note that the Technical Guidance shall be for the purpose of QIS1 only and should not be interpreted as indicative of final decision of the IRDAI on RBC framework. **It is noteworthy that this is a separate exercise and insurers shall continue to submit regulatory returns as mandated by the current regulatory regime as and when due.**

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**Member (Actuary)**