SHANKAR IAS PARLIAMENT
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IRDAI (Amendment) Regulations, 2026

Prelims: *Current events of national and international importance | Economy*

Why in News?

Recently, Insurance Regulatory and Development Authority of India (IRDAI) approved amendments to the Registration, Capital Structure, Transfer of Shares and Amalgamation of Insurers Regulations, 2026.

- **Aim –** To reform modernise the insurance sector and implement the Sabka Bima Sabki Raksha (SBSR) Act, 2025.
- **Key Decisions** – The approval of amendments to –
  - The IRDAI (Actuarial, Finance and Investment Functions of Insurers) (Second Amendment) Regulations, 2026, and
  - The IRDAI (Registration, Capital Structure, Transfer of Shares and Amalgamation of Insurers) (Amendment) Regulations, 2026.

Policyholder Protection

- **Policyholders' Education and Protection Fund (PEPF) –** Operationalised under Section 16A of IRDA Act, 1999 (via SBSR Act).
- **Functions –** Promote insurance literacy, strengthen grievance redressal, trace unclaimed amounts, leverage technology for services.
- **Objective –** Empower and safeguard policyholders while expanding insurance penetration.

Insurance Intermediaries Framework

- **Mandatory Tagging –** Every proposal/policy linked to authorised salesperson for accountability.
- **Perpetual Registration –** Annual fee regime replaces periodic renewals.
- **Compliance –** Reduced costs, streamlined rules aligned with SBSR Act and FDI norms.
- **Governance –** Enhanced disclosure and accountability standards.

Enforcement and Regulatory

- **Penalties Regulation –** Transparent, uniform framework for imposing penalties under Insurance Act, 1938 and IRDAI Act, 1999.
- **Process –** Structured initiation, show-cause notices, reasoned orders to fairness and transparency in regulatory actions.
- **Impact –** Strengthens accountability, boosts investor and public confidence.

Reference

Indian Express | IRDAI