

# CORPORATE GOVERNANCE

## DISCLOSURE REQUIREMENTS AS PRESCRIBED BY THE IRDAI GUIDELINES ON CORPORATE GOVERNANCE FOR INSURANCE SECTOR

The Company is in compliance with the disclosure requirements as specified in Regulation 34 and Schedule V of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same has been furnished as a part of the Directors Report forming part of the Annual Report.

It may be further noted that the Company is also in compliance with the Corporate Governance Guidelines amended by Insurance Regulatory and Development Authority of India (IRDAI) on May 18, 2016.

### 1. Disclosures regarding the Board Governance Structure

These include:

- Number of Board and Board committee meetings held in the financial year.
- Details of composition of the Board and the Committees mandated including the names of the Directors, their fields of specialisation, status of directorship held, etc.
- Number of meetings held by the Directors and the members of the Committee.
- Details of remuneration paid, if any to the independent directors.

The above data has been furnished as a part of the Directors Report forming part of the Annual Report.

### 2. Basis, methods and assumptions on which the financial information is prepared and impact of changes, if any

The basis, methods and assumptions using which the financial statements have been prepared have been detailed in the financial

statements – Refer Schedule 16: Significant accounting policies and notes forming part of the financial statements.

### 3. Quantitative and qualitative information on the Company's financial and operating ratios namely, incurred claim, commission and expenses ratios

Information, both quantitative and qualitative on the insurer's financial and operating ratios have been furnished in the Management Discussion & Analysis section of the Annual Report and the financial statements – Refer 'Accounting ratios' section of Schedule 16: Significant accounting policies and notes forming part of the financial statements.

### 4. Actual solvency margin details vis-à-vis the required margin

The details of the solvency ratio are as below:

Particulars	FY2018	FY2017
Actual solvency ratio	252.5%	280.7%
Required solvency ratio	150.0%	150.0%

### 5. Financial performance including growth rate and current financial position of the insurer

Financial performance of the Company including growth rate and current financial position has been furnished in the Management Discussion & Analysis section forming part of the Annual Report.

### 6. Description of the risk management architecture

The risk management architecture of the Company has been detailed under Directors Report forming part of the Annual Report.

### 7. Details of number of claims intimated, disposed of and pending with details of duration

The claims settlement experience for the Company for FY2018 has been as follows:

Sr. No.	Claims experience	Death claims	Maturity claims	Survival benefits	Annuities/Pensions	Surrender claims	Health claims	Other benefits
1.	Claims outstanding (beginning of the period)	52	11,058	1,051	9,092	7,439	306	2
2.	Claims reported during the period	14,105	133,638	59,156	107,924	427,330	23,007	396
3.	Claims Settled during the period	13,886	134,037	59,235	108,662	428,394	21,160	398
4.	Terms and condition rejections	1	-	-	-	-	1,836	-
5.	Claims repudiated during the period	205	-	-	-	-	40	-
6.	Claims reopened	-	-	-	-	-	-	-
7.	Claims written back	-	-	-	-	-	-	-
8.	Claims outstanding (End of the period)	65	10,659	972	8,354	6,375	277	-

Ageing of claims intimated and settled as at March 31, 2018 was as follows:

Particulars	Death claims	Maturity claims	Survival benefits	Annuities/Pensions	Surrender claims	Health claims	Other benefits
Claims settled at end of the period	13,886	134,037	59,235	108,662	428,394	21,160	398
Less than 3 months	13,873	125,316	58,816	106,642	426,199	21,119	396
3 months to 6 months	5	2,999	174	584	1,661	40	1
6 months to 1 year	5	1,457	156	1,093	362	1	-
1 year and above	3	4,265	89	343	172	-	1

Ageing of claims intimated and outstanding as at March 31, 2018 was as follows:

Particulars	Death claims	Maturity claims	Survival benefits	Annuities/Pensions	Surrender claims	Health claims	Other benefits
Claims outstanding at end of the period	65	10,659	972	8,354	6,375	277	-
Less than 3 months	40	7,997	858	4,318	5,642	275	-
3 months to 6 months	6	736	73	237	223	1	-
6 months to 1 year	9	836	18	628	135	-	-
1 year and above	10	1,090	23	3,171	375	1	-

The claims settlement experience for the Company for FY2017 has been as follows:

Sr. No.	Claims experience	Death claims	Maturity claims	Survival benefits	Annuities/Pensions	Surrender claims	Health claims	Other benefits
1.	Claims outstanding (beginning of the period)	44	11,111	3,184	6,721	3,931	538	5
2.	Claims reported during the period	12,646	103,260	66,515	103,060	471,657	24,463	674
3.	Claims settled during the period	12,335	103,313	68,648	100,689	468,149	22,253	674
4.	Terms and condition rejections	2	-	-	-	-	2,379	-
5.	Claims repudiated during the period	301	-	-	-	-	63	3
6.	Claims reopened	-	-	-	-	-	-	-
7.	Claims written back	-	-	-	-	-	-	-
8.	Claims outstanding (End of the period)	52	11,058	1,051	9,092	7,439	306	2

Ageing of claims intimated and settled as at March 31, 2017 was as follows:

Particulars	Death claims	Maturity claims	Survival benefits	Annuities/Pensions	Surrender claims	Health claims	Other benefits
Claims settled at end of the period	12,335	103,313	68,648	100,689	468,149	22,253	674
Less than 3 months	12,294	98,579	67,488	99,548	466,220	22,179	669
3 months to 6 months	9	650	770	720	1,710	72	1
6 months to 1 year	3	1,001	196	181	215	1	-
1 year and above	29	3,083	194	240	4	1	4

Ageing of claims intimated and outstanding as at March 31, 2017 was as follows:

Particulars	Death claims	Maturity claims	Survival benefits	Annuities/Pensions	Surrender claims	Health claims	Other benefits
Claims outstanding at end of the period	52	11,058	1,051	9,092	7,439	306	2
Less than 3 months	36	5,059	596	6,096	6,246	301	1
3 months to 6 months	7	1,018	307	1,103	782	5	1
6 months to 1 year	3	679	115	1,870	363	-	-
1 year and above	6	4,302	33	23	48	-	-

Claims long outstanding are on account of:

1. Non-submission of necessary documents by the claimants.
2. Non-exercise of the annuity option in case of maturity claims by the annuitant.

## 8. All pecuniary relationships or transactions of non-executive directors

The Company's non-executive and independent Directors do not have any pecuniary relationships or transactions with the Company, except to the extent of insurance policies taken by them in the ordinary course of business, the sitting fees, reimbursements paid to them for attending Board and Committee Meetings, profit related commission and dividend paid to them during the year in the capacity of shareholder. Details of sitting fees, reimbursements and profit related commission are disclosed under 'Managerial Remuneration' section of Schedule 16 – Significant accounting policy and notes forming a part of the financial statements.

The premium income received by the Company from insurance policies issued to non-executive directors of the Company is as follows:

Particulars	₹ '000	
	FY2018	FY017
Rajiv Sabharwal*	-	1,105
N.S. Kannan	25	25
<b>Total</b>	<b>25</b>	<b>1,130</b>

\*Ceased to be the director from June 30, 2016

The dividend paid by the Company to non-executive directors of the Company is as follows:

Particulars	₹ '000	
	FY2018	FY2017
Dileep Choksi	2	-
Rama Bijapurkar*	36	-
Rajiv Sabharwal	-	0**
N.S. Kannan	-	350
<b>Total</b>	<b>38</b>	<b>350</b>

\*Ceased to be the director from January 17, 2018.

\*\*Dividend amount paid to Mr. Rajiv Sabharwal amounts to ₹ 161.

Further, payments made to parties in which directors are interested are disclosed in the Management Report forming part of the Annual Report.

## 9. Elements of remuneration package (including incentives) of MD & CEO and all other directors and Key Management Persons

The details of remuneration to MD & CEO, executive directors and KMP's (as specified by IRDAI) are as below:

Particulars	₹ '000					
	FY2018			FY2017		
	MD & CEO	Directors	KMP	MD & CEO	Directors	KMP
Basic	22,851	22,646	28,630	19,871	19,920	26,925
Bonus	18,602	24,770	24,396	13,388	17,256	23,561
Retirals	5,177	4,003	5,655	4,522	3,508	5,340
Allowance/Perquisites	16,284	28,784	57,917	13,801	40,785	103,244
LTRS	-	-	14,868	11,212	5,000	21,558
<b>TOTAL</b>	<b>62,914</b>	<b>80,203</b>	<b>131,466</b>	<b>62,794</b>	<b>86,469</b>	<b>180,628</b>

In addition to the above, stock options, of the Company pursuant to the Revised Employee Stock Option Scheme and that of ICICI Bank pursuant to ICICI Bank Employee Stock Option Scheme, as applicable, are granted.

The details of remuneration/payment to non-executive directors are disclosed in the Directors' Report and under 'Managerial Remuneration' section of Schedule 16 – Significant accounting policy and notes forming a part of the financial statements.

For further details on remuneration, please refer the disclosures given in Directors' Report. Remuneration package of individual directors is detailed in the Directors' Report forming part of the Annual Report.

## 10. Payment made to group entities from the Policyholders' Funds

Details of payment made to group entities (related party transactions) by the Company are included as a part of the financial statements – Refer 'Details of related parties and transactions with related parties' section of Schedule 16: Significant accounting policies and notes forming part of the financial statements.

## 11. Disclosure requirements of the Participating and Unit Linked policyholders'

Disclosure requirements of the participating and unit linked policyholders' has been furnished as a part of the financial statements – Refer Annexures 1, 2 and 3 annexed to Schedule 16: Significant accounting policies and notes forming part of the financial statements.

## 12. Persistency ratio

Persistency ratio is furnished as a part of the financial statements – Refer 'Accounting ratios' section of Schedule 16: Significant accounting policies and notes forming part of the financial statements.

## 13. Any other matters which have material impact on the financial position

There are no matters which have material impact on the financial position except those disclosed in the financial statements.