



Life Insurance Corporation of India
Policy
on
Related Party Transactions

Document details

Version 1	06/09/2021
Version 2	01/06/2022
Version 3	19/10/2022

1. Preamble:

Life Insurance Corporation of India is governed by LIC Act, 1956. The Act has been amended and made effective from 30-06-2021. The Amendments include significant provisions about Related Party Transactions under newly introduced sub-sections 4C and 19C of LIC Act, 1956. As part of subordinate legislation, LIC Rules were also amended and notified on 30-06-2021. Rule 7 of the amended LIC Rules, 1956, provides for contract or arrangements with Related Parties.

The Policy on Related Party Transactions has been re-drafted duly including all the amendments made with regards to Related Party Transactions in the amended LIC Act, 1956 and LIC Rules, 1956, as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which will be applicable to all Related Party Transactions entered into by the Corporation.

2. Applicability of the Policy:

This Policy shall be applicable to all Related Party Transactions entered into by the Corporation or any of its subsidiaries on one hand and a related party of the Corporation or any of its subsidiaries on the other hand.

3. Objective of the Policy:

The objective of this Policy is to:

- (a) Provide a framework for dealing with Related Party Transactions,
- (b) Provide Definition of Transactions in the ordinary course of the insurance business,
- (c) Set out Method of determination of arm's length pricing, and
- (d) Specify the Authority which may give approval for various types of Related Party Transactions.

4. Definitions:

- a) **The Corporation:** Shall mean the **Life Insurance Corporation of India**.
- b) **“Act”:** Shall mean the Life Insurance Corporation Act, 1956 as amended from time to time
- c) **“Audit Committee”** shall mean the Board Committee constituted under Section 19C of LIC Act, 1956
- d) **“Arm's length transaction”:** Means a transaction between two related parties that is entered into as if they are unrelated, so that there is no conflict of interest. In other words, the transaction with related party will be considered to be on Arm's length basis if the key terms, including pricing of the transaction, taken as a whole, are comparable with those similar transactions, if they would have been undertaken with unrelated parties.

- e) **“Board of Directors” or “ Board”** means the collective body of the directors, appointed or nominated or deemed as such under section 4 of the LIC Act, 1956 as amended from time to time
- f) **“Director”** means a director appointed or nominated or deemed as such under section 4 of the LIC Act, 1956 as amended from time to time.
- g) **“Member”** means every person holding shares of the Corporation and whose name is entered in the register of members maintained under clause (a) of sub-section (1) of section 5B of the LIC Act, 1956.
- h) **“Office or place of profit”** shall have the same meaning as provided in the explanation given under section 4C(1)of the LIC Act, 1956 and means any office or place –
- (i) Where such office or place is held by a director if the director holding it receives from the Corporation anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
- (ii) where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the Corporation anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
- i) **“Ordinary course of business”**: Means the usual transactions, customs and practices undertaken by the Corporation to conduct its business operations and activities and includes all such activities that the Corporation can undertake as per the LIC Act, 1956, Insurance Act, 1938 and applicable IRDAI Guidelines, as amended from time to time, as well as any principles laid down by the Board and Audit Committee. The following factors are indicative of a transaction being in the ordinary course of business:
1. The transaction is in furtherance of business
 2. The transaction is normal or otherwise routine for business
- The Income earned from such transaction is treated as business income in the Corporation’s Books of Account.
3. The transactions are part of standard industry practice.
 4. The transactions are incidental to the business of the Corporation
- j) **“Related Party”**: Shall have the meaning as defined in Regulation 2 (1) (zb) of SEBI (Listing and Disclosure Requirements), 2015, Section 2(76) of the Companies Act 2013 and Accounting Standard 18.
- k) **“Related Party Transaction”**: means a transaction involving a transfer of resources, services or obligations between the Corporation or any of its subsidiaries on one hand and a related party of the Corporation or any of its subsidiaries on the other hand regardless of whether a price is charged and a

'transaction' with a related party shall be construed to include a single transaction or a group of transactions in a contract.

Further, the Corporation or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Corporation or any of its subsidiaries, shall be considered as a Related Party Transaction with effect from April 1, 2023.

However, the following shall not be a Related Party Transaction:

- a) issue of securities on a preferential basis subject to compliance of requirements under SEBI(ICDR) Regulations, 2018,
- b) the following corporate actions by the Corporation which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - i. payment of dividend;
 - ii. subdivision or consolidation of securities;
 - iii. issuance of securities by way of a rights issue or a bonus issue; and
 - iv. buy-back of securities
- c) acceptance of fixed deposits by Banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all Shareholders /public subject to disclosure of the same along with the disclosure of Related Party Transactions to the stock exchanges every six months in the format as specified by SEBI.

l) "Material Related Party Transaction": Shall mean

Transaction with a related party if the transaction(s) to be entered into individually, or taken together with previous transactions during a financial year, exceeds stipulated materiality thresholds.

m) "Relative" is as defined under Section 2(77) of the Companies Act, 2013, i.e

- i. Members of HUF
- ii. Spouse
- iii. Father (includes Step-father)
- iv. Mother (includes Step-mother)
- v. Son (includes Step-son)
- vi. Son's wife
- vii. Daughter
- viii. Daughter's husband
- ix. Brother (includes the Step-brother)
- x. Sister (includes the Step-sister)

n) "Key Managerial Personnel" or "KMP": Shall have the meaning as defined in The Directors qualifications, nomination, appointment, Board diversity Policy of the Corporation.

o) Annual Total Premium: means the sum total of First and First year Premium, Single Premium and Renewal Premium under individual business and Premiums earned through P&GS business.

p) Turnover: means the aggregate value of the realization of amount made from sale, supply or distribution of goods or on account of services rendered, or both, by the Corporation during a financial year. Accordingly, for the Corporation, the turnover will be considered as the Annual Total Premium Income.

q) Material Modification shall mean any modification made in the terms and conditions of any on-going or proposed related party transaction as originally approved by the Audit Committee and/or shareholders, as the case may be, having a significant impact on the nature, value, tenure, exposure or likely financial impact of such transaction, as may be determined by the Audit Committee from time to time.

5. Who is a Related Party for Life Insurance Corporation of India

1. In terms of Section 2(76) of the Companies Act 2013, and Regulation 2(1)(zb) of the SEBI (LODR) Regulations, 2013 as applicable to LIC of India-

- i. A Director of LIC of India or his relative;
- ii. A Key Management Personnel of LIC of India or his relative;
- iii. A firm, in which a Director of LIC of India or his relative is a partner;
- iv. A private company in which a Director of LIC of India or his relative is a Member or Director;
- v. A public company in which a Director of LIC of India is a Director and holds along with his relatives, more than two per cent of its paid-up share capital;
- vi. Any Body Corporate, whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with the advice, directions or instructions of a Director of LIC of India;
- vii. Any person on whose advice, directions or instructions a Director of LIC of India is accustomed to act:

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

- viii. Any Body Corporate which is a Subsidiary or Associate of LIC of India
- ix. Any Body Corporate which is a step down subsidiary of LIC of India
- x. An investing Company or venture of LIC of India
- xi. An entity which is a related party under applicable Accounting Standards
- xii. Any person or entity forming a part of the promoter or promoter group of the Corporation
- xiii. Any person or any entity holding equity shares in the Corporation, either directly or on a beneficial interest basis, at any time during the immediately preceding

financial year to the extent of 20% or more (or 10% or more with effect from 1st April 2023).

6. Identification of Potential Related Party Transactions:

Related Party Transactions by LIC of India may include but shall not be limited to the following:

- i. Rent/leasing of property of any kind
- ii. Investment income by way of dividend/interest
- iii. Selling or otherwise disposing of, or buying of, property of any kind
- iv. Redemption of Securities
- v. Underwriting the subscription of any securities, or derivatives thereof, of the Corporation
- vi. Purchase /Sale or supply of any goods or materials
- vii. Appointment of any agent for purchase of goods, materials, services or property
- viii. Such related party's appointment to any office or place of profit in the Corporation, its subsidiary or associate company
- ix. Reimbursement/Payment towards administrative expenditure
- x. Assistance related to Information Technology / IT Solution Fee
- xi. Managerial Remuneration
- xii. Consultation work by Engineering Department
- xiii. Training activities arranged for / by the Related Party
- xiv. Availing or rendering of any other services

Each Director and Key Managerial Personnel shall be responsible for providing notice to the Board or the Audit Committee of any potential Related Party Transaction involving him/her or his/her relative, including any additional information about the transaction that the Board/Audit Committee may reasonably seek for. The Audit Committee will determine whether the transaction does, in fact, constitute the Related Party Transaction requiring compliance with this policy.

The notice of any such potential Related Party Transaction shall be given to the Board/Audit Committee well in advance so that the Audit Committee has adequate time to obtain and review information about the proposed transaction.

7. Materiality Threshold

- a) A Transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rupees One Thousand Crore or ten percent (10%) of the annual consolidated turnover of the Corporation as per its last audited financial statements, whichever is lower.
- b) Transaction involving payments made/received to/from a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into, individually or taken together with previous transactions during a financial year, exceeds five percent (5%) of the annual

consolidated turnover of the Corporation as per the last audited financial statements of the Corporation.

- c) Any modification which results into the claims of either party being subordinated or relaxation of security interest.

7.1 Material Modifications – Terms and Conditions

There shall be a presumption that a modification is material, if such modification, together with previous modifications during a financial year, results into any of the following-

- i. A variation of more than or equal to Rs 500 crore.
- ii. The terms of the contract cease to be at arm's length.
- iii. Granting of any waiver, abatement or any other relief to either party which results into a financial implication more than or equal to Rs 500 crore.
- iv. Extension of tenure of the contract by 25% or more of the original tenure, if the original tenure is for a period of four years or more.
- v. Any modification which results into the claims of either party being subordinated or relaxation of security interest.
- vi. Any novation of the contract or arrangement.

8. Manner of dealing with Related Party Transaction

- (i) The Corporation shall not enter into any contract or arrangement which is not in the ordinary course of business or at arm's length basis with a related party except with the approval of the Board and subject to such conditions as may be prescribed.
- (ii) No contract or arrangement involving transactions which is not in the ordinary course of business or at arm's length basis exceeding such threshold as given at Para 7, shall be entered into except with the prior approval in the general meeting. This will, however, not be applicable for transactions entered into between the Corporation and
 - a) its wholly owned subsidiary, whose financial statements are consolidated with the Corporation and placed before members in its general meeting for adoption
 - b) A Government company, or the Central Government or any state government or any combination thereof, in respect of contracts or arrangements entered into between them.
 - c) Transactions between two wholly owned subsidiaries of the Corporation since the accounts of the subsidiaries are consolidated with accounts of the Corporation and placed before the shareholders at the general meeting for approval.

- (iii) Further, no member shall vote in such general meeting to approve any contract or arrangement which may be entered into by the Corporation, if such member is a related party.
- (iv) As specified above, the conditions are applicable to transactions which are not in its ordinary course of business or are at arm's length basis.
- (v) Every contract or arrangement entered into other than transactions entered into by the Corporation in its ordinary course of business shall be referred to in a report made by the Board to the members along with the justification for entering into such a contract.

9. Procedure for approval of Related Party Transaction

9.1 Approval of the Audit Committee of the Corporation

- a. All Related Party Transactions and subsequent material modifications, irrespective of whether or not it is in the ordinary course of business or at arm's length basis shall require prior approval of the Audit Committee of the Corporation.
- b. The Audit Committee of the Corporation, (including the members of the Audit Committee, who are Independent Directors and present in the meeting) shall approve Related Party Transactions.
- c. The Audit Committee of the Corporation shall define "material modifications" and it shall be disclosed as part of the policy on materiality of Related Party Transactions and on dealing with Related Party Transactions
- d. A Related Party Transaction to which a subsidiary of the Corporation is a party but the Corporation is not a party, shall require prior approval of the Audit Committee of the Corporation, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the annual consolidated turnover, as per the last audited financial statements of the Corporation.
- e. With effect from 1st April, 2023, Related Party Transaction to which the subsidiary of the Corporation is a party but the Corporation is not a party, shall require prior approval of the audit committee of the Corporation if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary.
- f. Prior approval of the Audit Committee of the listed subsidiary shall suffice for Related Party Transactions of an unlisted subsidiary of a listed subsidiary of the Corporation.

- g.** Any contract entered or arrangement entered into by the Corporation with a related party shall be in accordance with provisions of this Policy and the agenda of the meeting of the Audit Committee and Board at which such contract or arrangement is proposed to be considered shall disclose the following, namely:-
- i. the name of the related party and nature of relationship;
 - ii. the nature, duration and particulars of the contract or arrangement;
 - iii. the material terms of the contract or arrangement, including the value thereof, if any;
 - iv. advance paid or received, if any, for the contract or arrangement;
 - v. the manner of determining the pricing and other commercial terms, irrespective of whether or not the same are included in the contract;
 - vi. whether all factors relevant to the contract have been considered and, if not, the details of the factors not considered, along with the rationale for the same not being considered;
 - vii. any other information relevant for the Audit Committee or the Board, as the case may be, to take decision in the matter.
- h.** However, the Audit Committee may provide omnibus approval for Related Party Transactions proposed to be entered by the Corporation. The following factors may be considered as the criteria for making omnibus approval, namely:-
- i) Repetitiveness of the transactions (in past or in future)
 - ii) Justification for the need of omnibus approval
- i.** The Audit Committee shall satisfy itself regarding the need for such omnibus approval for transactions of repetitive nature and that such approval is in the interest of the Corporation;
- j.** The omnibus approval given by the Audit Committee shall specify the following:
- Name (s) of the Related Party;
 - Nature of the transaction;
 - Period of the Transaction;
 - Maximum amount of transaction that can be entered into;
 - The indicative base price/ current contracted price and formula, if any, for variation
 - Any other conditions as the Audit Committee may deem fit.
- k.** In order to determine if the Transaction is in the ordinary course of business and at arm's length or not, the Audit Committee / Board may review the following documents or seek the following documents and confirmations from the department:
- (i) Nature of the transaction i.e. details of goods or property to be acquired / transferred or services to be rendered / availed (including transfer of resources)- including description of functions to be performed, risks to be assumed and assets to be employed under the proposed transaction;

- (ii) Key terms (such as price and other commercial terms) contemplated under the arrangement of the proposed transaction, including value and quantum;
- (iii) Key covenants (non-commercial) as per the draft of the proposed agreement/contract to be entered into for such transaction;
- (iv) Special terms covered/to be covered in separate letters or undertakings or any other special or sub arrangement forming part of a composite transaction;
- (v) Benchmarking information that may have a bearing on the arm's length basis analysis, such as:
 - 1. Market analysis, research report, industry trends, business strategies, financial forecasts etc.;
 - 2. Third party comparable, valuation reports, price publications including stock exchange and commodity market quotations;
 - 3. Management assessment of pricing terms and business justification for the proposed transaction;
 - 4. Comparative analysis, if any, of other such transactions, entered into, by the Corporation
- 1. Where a Related Party Transaction cannot be foreseen and/or details as mentioned in Clause 9.1.j or 9.1.k are not available, the Audit Committee may grant omnibus approval for such transactions of value not exceeding Rs.1 crore per transaction.
- m.** The Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions entered into by the Corporation, pursuant to the omnibus approval given.
- n.** Such omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after expiry of such financial year.
- o.** Omnibus approval shall not be given for transactions in respect of selling or disposing off any asset of the Corporation.
- p.** Any member of the Audit Committee who has a potential interest in any Related Party Transaction, will recuse himself and abstain from discussion and voting on the approval/review of the Related Party Transaction. If the member is a Key Managerial Person, although he can be present, to provide all material information concerning the Related Party Transaction to the Audit Committee, but shall not take part in decision /voting by the Audit Committee.

- q. In case of any transaction other than the related party transactions identified in sec. 6 and where the Audit Committee does not approve a transaction, it may make its recommendation to the Board.
- r. Any other condition as the Audit Committee may deem fit.

9.1. A. Transactions of following nature will not be subject to the omnibus approval of the Audit Committee:

1. Transactions which are not at arm's length basis or in the ordinary course of business.
2. Transactions which are not repetitive in nature.
3. Transactions which exceed the materiality thresholds as laid down in Clause 7(a) of the Policy.
4. Transactions in respect of selling or disposing off any asset of the Corporation.
5. Financial transactions such as Loan to related parties, Inter Corporate Deposits, Subscriptions to Bonds, Debentures or Preference Shares issued by related parties, Corporate Guarantee given/received from related parties.
6. Any other transaction that the Audit Committee may not deem fit for omnibus approval.

9.1. B. Information to be reviewed by the Audit Committee for approval of Related Party Transactions

The Corporation shall provide the following information, for review of the Audit Committee for approval of a proposed Related Party Transaction:

- a. Type, material terms and particulars of the proposed transaction;
- b. Name of the related party and its relationship with the Corporation or its subsidiary, including nature of its concern or interest (financial or otherwise);
- c. Tenure of the proposed transaction (particular tenure shall be specified);
- d. Value of the proposed transaction;
- e. The percentage of the Corporation's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a Related Party Transaction involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);

- f. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Corporation or its subsidiary, details may be provided regarding:
 - i. Source of funds in connection with the proposed transaction;
 - ii. where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments:
 - a. nature of indebtedness;
 - b. cost of funds; and
 - c. tenure;
 - iii. applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
 - iv. The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the Related Party Transaction.
- g. Justification as to why the Related Party Transaction is in the interest of the Corporation ;
- h. A copy of the valuation or other external party report, if any such report has been relied upon;
- i. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed Related Party Transaction on a voluntary basis;
- j. Any other information that may be relevant

The audit committee shall also review the status of long-term (more than one year) or recurring Related Party Transactions on an annual basis.

9.2 Approval of Board of Directors:

All transactions qualifying as Related Party Transactions shall be approved by the Board of the Corporation, with the exception of those transactions entered into by the Corporation in its ordinary course of business other than transactions which are not on an arm's length basis.

In addition to the above, the following kinds of transactions with related parties may also be placed before the Board for approval:

- a) Transactions which may be in the ordinary course of business and at arm's length basis, but which, as per this policy (i.e. value threshold and/or other parameters) specifically require Board approval in addition to Audit Committee approval.

- b) Transactions in respect of which, the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or arm's length basis and decides to refer the same to Board for approval.
- c) Transactions which are in the ordinary course of business and at arm's length basis, but which, according to Audit Committee requires Board approval.

Any Director who has a potential interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval/review of the Related Party Transaction. If the Director is a Key Managerial Person, although can be present, to provide all material information concerning the Related Party Transaction to the Board, but shall not participate in decision/voting by the Board.

9.3. Approval of Shareholders

All material Related Party Transactions and subsequent material modifications as defined by the Audit Committee of the Corporation shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not;

Provided that, prior approval of the shareholders of the Corporation shall not be required for a Related Party Transaction to which the listed subsidiary is a party but the Corporation is not a party if regulation 23 and sub-regulation 2 of regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations are applicable to such listed subsidiary.

Provided further that, the requirements specified under this sub-section of the Policy shall not apply in respect of a resolution plan approved under section 31 of the Insolvency code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

All existing material related party contracts or arrangements entered into prior to the date of listing of Corporation and which may continue beyond such date shall be placed for approval of the shareholders in the first General Meeting subsequent to listing of the Corporation.

9.3.A. Information to be provided to shareholders for consideration of Related Party Transactions

The notice being sent to the shareholders seeking approval for any proposed Related Party Transaction shall, in addition to the requirements under the Companies Act, 2013, include the following information as a part of the explanatory statement:

- a. A summary of the information provided by the management of the Corporation to the Audit Committee as specified in Point 9.1.B;
- b. Justification for why the proposed transaction is in the interest of the Corporation ;

- c. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Corporation or its subsidiary, the details specified under Point 9.1.B (f);
- d. A statement that the valuation or other external report, if any, relied upon by the Corporation in relation to the proposed transaction will be made available through the registered email address of the shareholders;
- e. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed Related Party Transaction, on a voluntary basis;
- f. Any other information that may be relevant.

10. Disclosures:

- a. The Corporation shall publish disclosure of Related Party Transactions on the Corporation's website every quarter.
- b. The Corporation shall submit disclosures of Related Party Transactions to Stock Exchanges in the format as specified by SEBI for every six months ending 30th March and 30th September.
- c. The disclosure shall be made along with the Corporations' stand-alone financial results for every half year within fifteen days from the date of publication of its standalone financial results. (on the date of publication of its standalone and consolidated financial results with effect from 1st April, 2023).
- d. Disclosure shall be made in the Annual Report by Corporation and its subsidiaries regarding Loans and advances in the nature of loans to Subsidiaries /Associates or to firms/companies in which directors are interested by name and amount.
- e. Disclosure shall be made in the Corporate Governance Report by Corporation and its subsidiaries regarding of Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.
- f. Disclosure of related parties and transactions with related parties as per AS 18 shall be made in the Notes to accounts forming part of Financials of the Corporation.

11 Related Party Transactions not approved under this Policy

- a. In terms of Sec 19C of the LIC Act, in case any transaction involving any amount not exceeding one crore rupees is entered into by a director or an officer of the Corporation without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Corporation with the approval of the Audit Committee and if the transaction is with the related party to any director or is authorised by any

other director, the director concerned shall indemnify the Corporation against any loss incurred by it.

- b. If any contract or arrangement has been entered into by a director or any other employee, without obtaining the consent of the Board or approval by a resolution in the general meeting and if it is not ratified by the Board or, as the case may be, by the members at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or, as the case may be, of the members and if the contract or arrangement is with a related party to any director, or is authorised by any other director, the directors concerned shall indemnify the Corporation against any loss incurred by it.
- c. Further, it shall be open to the Corporation to proceed against a director or any other employee who had entered into such contract or arrangement in contravention of the provisions of this section for recovery of any loss sustained by it as a result of such contract or arrangement.
- d. Any director or any other employee of the Corporation who had entered into or authorised a contract or arrangement in violation of the provisions of the LIC Act, 1956, shall be liable to pay a penalty in terms of Sec 4C (6) of LIC Act, 1956.

12. Review of the Policy

The adequacy of this Policy on related party transactions shall be reviewed and reassessed at least once in every three years or as and when warranted by any Regulatory change or exceptional circumstances.

13. Limitation & Amendment

For any transaction with related parties, which are in the nature of transactions such as reinsurance arrangements or investment transactions or outsourcing to related parties, compliance to concerned and applicable latest amended regulations such as IRDAI (Re-insurance) Regulations, IRDAI (Investment) Regulations, IRDAI (Outsourcing) Regulations etc or applicable guidelines/circulars issued by IRDAI, shall be ensured.

In the event of any conflict between the provisions of this Policy and of the Act or any other statutory enactments, rules, the provisions of such Act or Regulations or Statutory enactments or rules shall prevail over this Policy. Any subsequent amendment / modification in the Act and/or applicable laws in this regard shall automatically apply to this Policy.
