

Irdai Asks SBI Life to Take Over Sahara's Life Insurance Business

INVESTOR PROTECTION Insurance co to service over two lakh policies of SILIC

Our Bureau

New Delhi: The insurance regulator on Friday directed SBI Life Insurance Co to take over the liabilities of around 200,000 policies along with assets of Sahara India Life Insurance Co (SILIC), with immediate effect.

The Insurance Regulatory and Development Authority of India (Irdai) said it took the decision in view of deteriorating financial health of the SILIC.

A SILIC spokesperson said in 2017 that the Irdai had ordered the transfer of Sahara Life Insurance business to ICICI Prudential Life Insurance, but that decision was quashed by the Securities Appellate Tribunal (SAT) on July 28, 2017.

"Similarly, today, Irdai has once again ordered the transfer of Sahara Life Insurance business, this time to SBI Life. However, it is important to note that this matter is currently under judicial consideration with the SAT, and the next hearing is scheduled for June 6," the spokesperson said.

In a statement, the regulator said it has taken necessary steps to ensure the smooth transition for all policyholders of SILIC. A three-member committee has been constituted for the implementa-



tion of the order in a time-bound manner, it said.

"SBI Life has been directed to take adequate steps to reach out to the policyholders of SILIC, with regard to servicing of policies, including setting up of a dedicated cell to address the queries of the policyholders of SILIC, and also publish necessary details on their website," it said.

SBI Life said it has already started the process to comply with the order, but that the full integration may take some time. "We have started, and we are expeditiously working on the process of integra-

ting all these policyholders in our systems," it said in a release.

Sahara India Life Insurance was granted a certificate of registration in 2004 for conducting life insurance business. In view of the certain serious issues on the financial propriety and governance aspects of the insurer, the authority had appointed an administrator to manage its business in 2017, the regulator said.

The insurer was also not allowed to underwrite new business. Thereafter, further directions were issued to SILIC to meet the regulatory requirements, it said.

"Despite being provided ample opportunities and sufficient time to ensure compliance, SILIC has failed to comply with directions of the authority and take any affirmative steps to protect the interests of its policyholders," the regulator said.

Also, the policy data of SILIC show a run-off trend in its portfolio. The financial position has been deteriorating with rising losses and higher percentage of claims to total premium, it said.

"If the trend is allowed to continue, the situation will worsen and lead to erosion of capital and SILIC may not be able to discharge its liabilities towards policyholders, thereby endangering the interest of its policyholders," Irdai said.

The regulator said the action against SILIC has been taken after due consideration of all the facts and circumstances. This was warranted to protect the interest of the policyholders of SILIC, it said.

Further, Irdai said it will continue to monitor the situation and issue necessary directions as required in the interest of the policyholders of SILIC.

In its release, SBI Life asked the SILIC policyholders to reach out to it on helpline number 1800 267 9090 or email ID saharalife@sbi-life.co.in.