

Lloyd's India Service Company Setup and Compliance Guide

A Guide to Regulatory and Compliance Requirements

30 July 2026

Disclaimer

This is for reference only and is not considered to be legal advice. Whilst all care has been taken to ensure the accuracy of the information, Lloyd's does not accept any responsibility for any errors or omissions. Lloyd's is not responsible or liable for any alleged damage arising from reliance upon the information provided. This is a guide to assist Managing Agents with the intention of setting up a Service Company in India.

Purpose of Guide

The purpose of this guide is to assist Managing Agents/Syndicates who have (or intend to) set up a Service Company in India to operate compliantly on the Lloyd's India Platform. The regulatory and compliance requirements set out in this guide are specific to the local requirements on a Lloyd's India Service Company. These entities will still be required to comply with all of Lloyd's usual requirements, including adherence to Lloyd's Principles of doing business.

For enquiries relating to this guide, please contact:

Shefali Sehwan

CEO & Country Manager, Lloyd's India

Tel: +91 22 6813 3677

Email: shefali.sehwan@lloyds.com

Policyholder and Third-Party Oversight Department

Delegated Authority team

Lloyd's Building

One Lime Street

London, UK

EC3M 7HA

Tel: +44 207 327 6275

Email: coverholders@lloyds.com , servicecompanies@lloyds.com

Contents

I. Introduction to Lloyd's Operation in India	4
a) Introduction to Regulatory Framework	4
b) Definition of Indian Risk	4
c) The Platform	5
d) Benefits of Joining Lloyd's India	5
II. Application Process	8
a) Key Considerations for Becoming a Service Company in India	8
b) Service Company Application	8
III. Key requirements for Service Companies	10
a) Key requirements for Establishing a Service company of Lloyd's India	10
b) Solvency Margin, Funding and Investment	12
c) Key Management Personnel	14
d) Scope of Business and Underwriting Authority	15
e) Risk Location and Regulatory Considerations	15
f) Operational Costs	16
g) Office Fitout and Infrastructure Considerations	16
h) Funding of Lloyd's India Administrator Costs	16
i) Employee Considerations	16
j) Underwriting Governance & Controls	17
k) Taxation	17
l) Books of Accounts and Audit	18
m) Regulatory and Compliance Reporting	20
n) Lloyd's India Compliance Reporting	21
o) Service Company Regulatory Audit	21
p) Maintenance of Records	21
q) Other Regulatory Compliances	22
r) Claims	23
s) Anti-Bribery & Sanctions	23
t) Business Continuity	23
IV. Key contacts for various services	23

I. Introduction to Lloyd's Operation in India

a. Introduction to Regulatory Framework

The insurance regulator in India is the Insurance Regulatory and Development Authority of India (IRDAI). The governing legislation is the Insurance Act, 1938, as amended from time to time, including the most recent amendments in 2025. Details of the laws and regulations applicable to Lloyd's operations in India are available on the IRDAI website (<https://irdai.gov.in>).

Lloyd's India operates within the framework of the Insurance Act, 1938 and the Insurance Regulatory and Development Authority of India (Registration and Operations of Foreign Reinsurers Branches and Lloyd's India) Regulations, 2024. These regulations empower the IRDAI to permit, supervise, and regulate foreign insurers, including Lloyd's, to carry on reinsurance business in India.

In addition, the IRDAI (Reinsurance) Regulations, 2018, as amended from time to time, and the IRDAI Master Circular on Reinsurance, 2024, govern the manner in which Lloyd's members conduct reinsurance business in India.

b. Definition of Indian Risk

An Indian risk is a risk that meets any of the following criteria:

- It is located in India; and/or
- It is insured under a policy issued in India; or
- It is required under Indian law to be insured with an insurer registered in India.

As a general principle, Indian risks must be insured with insurers that are registered in India. Placement of Indian risks with foreign insurers is restricted, except through permitted regulatory mechanisms, such as reinsurance arrangements or other IRDAI-approved cross-border placements.

Types of Reinsurance Risks

Facultative Reinsurance

“Facultative Reinsurance” refers to reinsurance for a single risk or a defined package of risks, where neither the cedant is obliged to submit these risks to the reinsurer nor the reinsurer is obliged to provide reinsurance protection.

Treaty Reinsurance

Treaty reinsurance refers to Indian insurance risks that are automatically reinsured under a pre-agreed reinsurance treaty between the cedant and the reinsurer. These arrangements are also subject to the IRDAI (Reinsurance) Regulations, 2018, as amended from time to time.

c. The Platform

In 2015, the Indian Government opened up the reinsurance sector by allowing foreign reinsurance companies and Lloyd's to set up branches in India. The Government's aim of opening up the sector was to:

1. Maximise retention within India;
2. Develop reinsurance expertise within India;
3. Introduce best practices within the industry; and
4. Simplify the reinsurance administrative process

Following amendments to the Insurance Act 1938, the Indian Insurance Regulator, the Insurance Regulatory and Development Authority of India ('IRDAI'), issued the IRDAI Lloyd's India Regulations, 2016. These regulations allowed Lloyd's to set up a reinsurance branch in India, and a platform to allow members of Lloyd's to underwrite reinsurance business in India. The Lloyd's India platform was established in 2017 to position Lloyd's for future growth and defend our existing business in India. Managing agents at Lloyd's can either set up a service company or appoint a coverholder in India to underwrite reinsurance business on behalf of the members of the relevant syndicates at Lloyd's.

The aim of Lloyd's India is to support market participants on the platform, raise the profile of Lloyd's in India, highlight the growing opportunities in India to Lloyd's underwriters and to develop and implement an effective and efficient central service offering for those on the India platform.

d. Benefits of Joining Lloyd's India

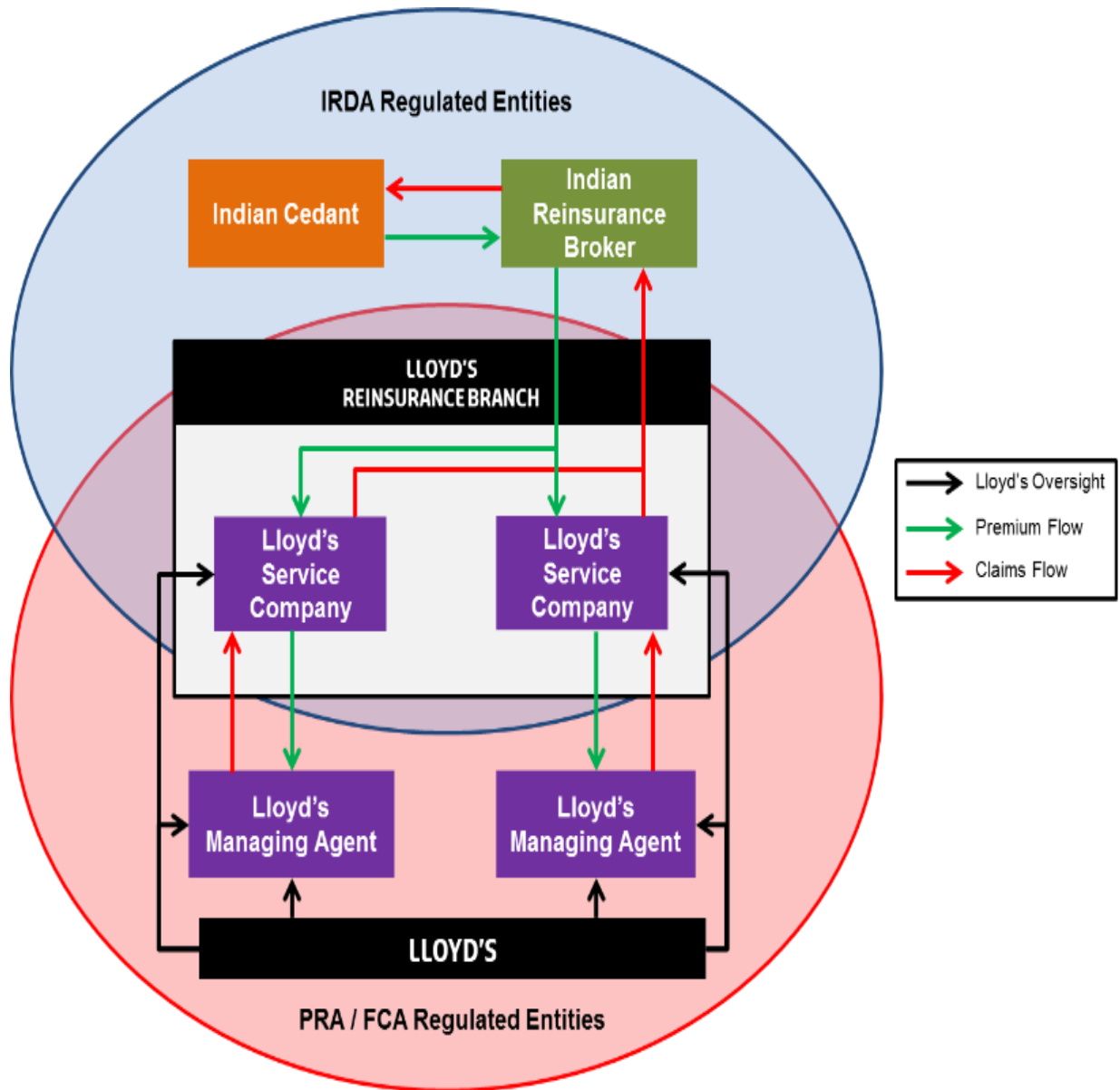
- **Proximity:** Underwriters in Lloyd's India have greater access to the local client base and Indian brokers given India's Order of Preference rules Regulation 5(2) of IRDAI (Re-insurance) Regulations, 2018.

This leads to a deeper understanding of the market and an increased ability to service business more efficiently.

- **No Broker Restriction:** Unlike Lloyd's underwriters in London, the IRDAI does not restrict local brokers dealing with Lloyd's India underwriters. Lloyd's India underwriters may also transact directly with clients (cedants) in addition to any broker, local or otherwise.

- **Broker Support:** Local brokers are very enthusiastic for more Lloyd's syndicates to join Lloyd's India, as it offers them the opportunity of obtaining Lloyd's capacity locally without the time delay and additional cost of going through London.
- **Excellent Infrastructure:** There is an existing legal and physical infrastructure to assist and provide ongoing support to market participants on the Lloyd's India platform. Lloyd's India takes responsibility for diverse areas including marketing, promoting and protecting Lloyd's brand, management of the office premises, as well as providing a single interface with the IRDAI - ensuring the platform remains compliant with local requirements.
- **Marketplace:** The co-location of Lloyd's India and its service companies within the same office premises, plus the prominence of the common Lloyd's India brand, creates a marketplace in India, whilst also giving our service companies greater profile and access to business throughout the Asia-Pacific region.

Structure of Lloyd's India



II. Application Process

a. Key Considerations for Becoming a Service Company in India

It is recommended that managing agents considering setting up in India, obtain appropriate legal and tax advice on the Indian regulatory requirements. A recommended list of legal and tax experts, who understand the Lloyd's set up and the IRDAI Regulations, are set out under Section 4 of this Guide.

A managing agent looking to establish a service company in India must engage with their SUP (Syndicate Underwriting Performance) Executive to discuss their proposal and concurrently engage with Lloyd's India Country Manager. Submit a pro-forma business plan to Lloyd's, ensuring a copy is shared with the Lloyd's India Country Manager. Following the discussion and review of the business plan, Lloyd's India will guide the managing agent in preparing the application Form S-2 [Form S 2- service company registration new form.pdf](#) to the IRDAI. The plan should address the following:

- India strategy for a five-year timeframe.
- Lines of business.
- Premium estimates.
- Estimated loss ratios.
- Distribution channels; and
- Any research carried out to identify the opportunity in India.

Following discussions with the managing agent and general agreement by Lloyd's over the proposed business plan, the managing agent is required to complete a service company application through Atlas (an online web-based market system for the process of managing service company/coverholder) and simultaneously complete the IRDAI application. You can find a copy of the Service Company Application under FORM S-2 of the Master Circular on Insurance Regulatory and Development Authority of India (Registration and Operations of Foreign Reinsurers Branches & Lloyd's India Regulations, 2024). The application is then reviewed by the Delegated Authority Team (DAT) and by the Lloyd's India team respectively, and feedback is provided as appropriate.

b. Service Company Application

The managing agent must meet with Lloyd's DAT to discuss the proposed Lloyd's India service company application. Service companies operating in India must comply with Lloyd's

requirements outlined within the Service Company Code of Practice - and with the Lloyd's Principles of Doing Business. Every application requires a service company undertaking to be signed and uploaded onto Atlas.

Following completion of this process, the DAT team will issue an 'in principle' approval for setting up the service company in India. A copy of this approval letter including proof of payment of non-refundable application fee of rupees one lakh payable to IRDAI, along with applicable taxes must be attached to the IRDAI application.

Payment of Application fees, regulatory fees are to be remitted to the following bank:

- Name of Beneficiary: Insurance Regulatory and Development Authority of India
- Account No.: 860120100001938
- IFSC Code: BKID0008601
- Name of Bank: Bank of India
- Branch: Basheerbagh, Hyderabad

Once the service company has been approved by Lloyd's, the service company will be able to enter into a Service Company Underwriting Agreement. This is a binding authority which authorises a service company to enter into a contract(s) of (re)insurance only to be underwritten by members of a syndicate managed by the service company.

Any further changes to the service company record, once the entity has been approved, will need to be submitted to Lloyd's through Atlas (e.g. if the service company is looking to write an additional line of business, then the managing agent will need to submit a class of business extension and accompanying checklist).

The service companies and the syndicates that they are acting on behalf of, are required to be registered with the IRDAI to operate under the single Lloyd's licence to underwrite reinsurance business in India. Registered service companies are allowed to write both Indian and non-Indian reinsurance business, subject to compliance with the relevant local and or overseas regulatory requirements.

Whilst the extent of the underwriting authority may vary from one managing agent to another, the IRDAI expects every service company to have the necessary authority in respect of underwriting, claims, compliance and investments. Managing agents are therefore required to ensure that a sufficient level of authority is granted to the service companies, to ensure compliance with IRDAI requirements.

It should be noted that the application process can take up to six months from establishing a business plan to the commencement of underwriting.

III. Key Requirements for Service Companies

a. Key Requirements for Establishing a Service Company of Lloyd's India

Capital requirement - The service company needs to be established as a private company or public limited company with a minimum capital of INR 500,000 (Approx. GBP 5000). Further, the syndicate through the service company needs to maintain an assigned capital of INR 50 million (Approx. GBP 500000).

Incorporation - A service company is required to be incorporated locally with the Registrar of Companies in India and appoint a local Board for the service company that comprises a minimum of two directors, at least one of whom MUST be resident in India.

Bank Account - Each service company will need to establish at least two bank accounts in India – one for its operational purposes (meeting service company day to day expenses) and another in respect of the underwriting account (to hold premiums and reserves).

Memorandum of Association (MoA)/Articles of Association (AoA) - The main objects of a MoA/AoA shall be to provide all necessary information on technical underwriting, the binding of risks, settling of claims, administration, accounting, investment, regulatory and other assistance to the syndicate(s) whom they represent.

Promoter / Managing Agent Experience - To provide details of the number of years that the managing agent / promoter of the service company has been active

Lloyd's Approval and Board Authorisation - The applicant must provide either approval from Lloyd's permitting the Managing Agent to establish a service company, or a Board Resolution of the Board of Directors of the promoter approving the establishment of the service company, as applicable.

Details of shareholders/ subscribers of the service company - Provide details of all shareholders of the service company, including specific information on individuals or entities holding more than 5% of the paid-up capital (or its equivalent) of the applicant.

Details of Lloyd's India Syndicate - Provide details of the Members of Lloyd's promoting the syndicate, their approval for its establishment, and the lines of reinsurance business to be

underwritten. Also confirm whether a Service Company Underwriting Agreement is in place, along with details of the service company (if applicable) and the assigned capital of the syndicate.

Financial Projections - Provide a detailed description of the financial projection model and assumptions, along with five-year projections covering key metrics such as business volume, staffing, income, expenses, solvency, capital requirements, and financial statements in the format as prescribed by IRDAI for financial reporting

Outsourcing - Service Companies are permitted to outsource the specified non-core activities relating to their operations in India such as back-office servicing, IT, accounts, marketing, human resources, administration and publicity. Core activities such as underwriting, investment, claims decisions & settlement, regulatory compliances and any other function specified by the Authority in general or with reference to a specific entity cannot be outsourced.

Retention and Retrocession - Syndicates of Lloyd's India are required to maintain a minimum retention of 50% of its Indian reinsurance business and are subject to the IRDAI regulations on reinsurance with respect to their retrocession arrangements.

Filings - The service company shall be responsible for all statutory and regulatory filings and compliance on behalf of the syndicate it represents. Any regulatory filings with the IRDAI must be made through Lloyd's India.

The Chief Executive Officer (CEO) - The CEO of a service company will be subject to fit and proper criteria and will be appointed with prior approval of the IRDAI. The proposed CEO candidate is also required to undergo an interview with the oversight team and Lloyd's India Country Manager, prior to its application being submitted to the IRDAI for approval. The CEO application is accompanied by a covering letter from Lloyd's India, setting out its rationale and support for the proposed appointment. The CEO must be directly employed by the service company.

Key Management Persons (KMP) - Every service company in India is required to appoint a Chief Executive Officer (CEO), Chief Underwriting Officer (CUO) and a Chief Finance Officer (CFO). The CEO and CUO are expected to be resident in India, whilst the CFO can be resident outside India.

Particulars of Previous Application - Indicate whether the applicant has previously applied for registration or sought registration approval in India. If so, provide full details, including the outcome of such applications and reasons for any rejection, if applicable.

Other key requirements - The Authority as per Master Circular on Insurance Regulatory and Development Authority of India (Registration and Operations of Foreign Reinsurers Branches and Lloyd's India) Regulations, 2024, requires, that the service company appoints a Compliance Officer who will monitor the compliance of the service company and liaise with the Lloyd's India Compliance Officer to ensure compliance of the service company with both Lloyd's as well as IRDAI requirements. This person does not have to be resident in India.

Similarly, the CFO of the service company will be required to liaise closely with the Lloyd's India CFO to ensure that the IRDAI returns are being prepared accurately, and that the syndicate investments in India are being managed in accordance with the Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions) Regulations 2024. Given that the reserves for the India operation are set centrally by Lloyd's, the CFO is also required to work closely with the Lloyd's Actuary and the India CFO, to ensure that the syndicate and Lloyd's India comply with the IRDAI Solvency requirements. This person does not have to be resident in India.

Please note that the service company is expected to meet any other requirement that may be specified by the IRDAI from time to time.

b. Solvency Margin, Funding and Investments

Solvency Margin

The solvency margin for Lloyd's India will be calculated in accordance with the Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions) Regulations 2024 pursuant to these regulations, the control level of solvency is 150%.

Lloyd's India has provided Assigned Capital of INR 1000 million centrally (as required by the IRDAI), and the benefit of this centrally provided capital will be allocated to service companies when determining the solvency ratio at syndicate level.

The syndicate assigned capital of INR 50 million will be used in the calculation of the syndicate's solvency position. Additional capital may need to be introduced into India if the solvency position of the syndicate were to fall below the IRDAI prescribed minimum of 150%.

The solvency ratio for each syndicate will consider the assets that they provide (INR 50 million minimum capital, their reserves and additional capital if required) as well as an allocation of the centrally provided capital against their liabilities and their required solvency margin.

Whilst Lloyd's India (at a level of all syndicates combined) is required to always maintain a solvency ratio of at least 150%, individual syndicate solvency is likely to be variable over time. However, Lloyd's India will require any syndicate that falls below this level at any quarter-end to provide additional assets immediately (as part of the quarterly funding process), in order to meet the IRDAI solvency requirement.

Quarterly Funding Process

At each quarterly review, the solvency position is calculated based on the liabilities as at quarter-end, and the assets that are already in place in the deposit (which would have been adjusted following the previous quarter's review). This is filed with the IRDAI via solvency reporting by Lloyd's.

In addition, the funding adjustment for the purposes of the next quarter's solvency calculation is calculated by projecting the expected experience and growth over the following quarter. Service companies are then informed of their required funding adjustment and must provide sufficient assets within 45-60 days of the quarter-end.

The funding adjustment is calculated so that:

- Service companies individually meet the 150% solvency ratio retrospectively; and
- The assets after adjustment are expected to be sufficient to achieve a Lloyd's India (in aggregate) solvency ratio of at least 150% at the time of the next quarter's review (this is considered as "forward funding").

Lloyd's India intends to maintain a fund which should always give a solvency ratio of above 150%, by providing additional capital to act as a buffer between quarterly review calculations. The INR 1000 million provided centrally by Lloyd's will be used as the buffer, at least initially. In the future, if increased business volumes deem it necessary, service companies will be required to provide additional capital to top-up the central capital buffer provided by Lloyd's. To ensure that the buffer is not used to fund increases in the capital requirement between quarters due to growth, Lloyd's will request that syndicates with plans of growth for the next quarter provide additional capital in proportion to planned growth in signed premium.

Inter-quarter Funding

If a large loss event were to occur between quarters and was expected to impact the ability for Lloyd's India to meet the 150% solvency ratio requirement at the next quarter (e.g. if claims incurred were larger than the size of the buffer) then, if time permits, Lloyd's would consider requesting that service companies provide additional assets as part of an additional funding exercise (outside of the normal quarterly process) in order to increase the assets held against these liabilities quicker, and to further ensure that the solvency ratio of 150% is maintained.

Double Funding Issue

The current arrangement agreed with the IRDAI is that Lloyd's India and its service companies can take benefit of the assets held in the Lloyd's India capital account/s for solvency purposes. However, the managing agents/syndicates may not get the credit for the capital held in India on the global revenues including India. This could amount to double funding.

Investments

If there are any outstanding questions concerning investments within India, please contact the Treasury & Investment Management team in particular; Manish Bhandari, CFO – Lloyd's India.

c. Key Management Personnel

Every service company/coverholder is required to appoint the following Key Management Personnel (KMP):

- Chief Executive Officer (CEO)
- Chief Underwriting Officer (CUO)
- Chief Financial Officer (CFO)

The Chief Executive Officer (CEO) of a service company shall be subject to fit and proper criteria and shall be appointed only with the prior approval of the Competent Authority (IRDAI).

Details of all KMPs, along with their biodata (personal and professional information), must be submitted as part of the registration process in accordance with Form KMP-1. Any appointment, reappointment, or change in a KMP must be notified to the IRDAI within 7 days from the date of such change.

In the event of a vacancy in any KMP position, the service company must notify the IRDAI within 7 days, providing details of the individual designated to discharge the responsibilities of the vacant role. The service company must take prompt action to fill such vacancies, ensuring that no KMP position remains vacant for more than 180 days.

Prior approval of the IRDAI is required for the managerial remuneration of the CEO. In accordance

with the IRDAI (Registration and Operations of Foreign Reinsurers Branches and Lloyd's India) Regulations, 2024 and the Master Circular 2024, details of remuneration components paid to KMPs must be reported annually in the prescribed format along with financial statements.

The CEO and CUO must be residents in India and directly employed by the service company.

d. Scope of Business and Underwriting Authority

Service companies are permitted to write both Indian and non-Indian reinsurance business, subject to compliance with the relevant regulatory requirements in the respective territory.

Whilst the extent of the underwriting authority may vary from one managing agent to another, the IRDAI expects every service company to have the necessary authority in respect of underwriting, claims, compliance and investments. Managing agents are therefore required to ensure that a sufficient level of authority is granted to the service companies to ensure compliance with IRDAI requirements.

The service company is responsible for binding insurance on behalf of Lloyd's Members, managing premiums, claims, expenses, and underwriting operations, as well as issuing policy documentation and handling administrative functions.

It must also ensure regulatory compliance, transparency of syndicate capacity, talent development, adherence to local laws, and fulfil any additional requirements specified by Lloyd's India and the IRDAI. The detailed responsibilities and requirements are set out in the IRDAI Insurance Regulatory and Development Authority of India (Registration and Operations of Foreign Reinsurers Branches and Lloyd's India) Regulations, 2024.

e. Risk Location and Regulatory Considerations

Lloyd's service companies must adhere to Lloyd's trading rights in all territories where the risks they underwrite are located and must do so in accordance with local legal and regulatory requirements. Information about Lloyd's global trading rights and related regulatory requirements are available on [Crystal+](#).

Risk location must be accurately captured with appropriate systems and controls to ensure compliance with all applicable regulatory and tax obligations.

For further information on Lloyd's global trading rights or Crystal, Lloyd's service companies should contact LITA.

Lloyd's International Trading Advice

T: +44 (0)20 7327 6677

E: LITA@lloyds.com

f. Operational Costs

Office rent – it is a regulatory requirement for a service company to be co-located with Lloyd's India. Existing office space is located at the Executive Centre, Unit 1, Level 6, 4 North Avenue, Maker Maxity, BKC, Bandra East, Mumbai 400051.

Each service company will bear the cost for the space allocate to them. The service companies will also have access to meeting rooms (within the Lloyd's India space), which are available on a pre-booked basis. Whilst the cost of the meeting rooms is included in the existing rent, any calls, including video conference calls will be charged on a user pays basis.

In the event that space is not immediately available within the current Lloyd's India leased area; Lloyd's India will discuss alternative options with interested managing agents and also seek approval from the IRDAI accordingly.

g. Office Fitout and Infrastructure Considerations

Each service company is responsible for organising and funding their own IT infrastructure as there is currently no shared IT platform or common system in place. Lloyd's India can assist with providing contacts at The Executive Centre, to allow for discussions on obtaining the necessary server rack space, and for procuring any IT equipment from local vendors.

h. Funding of Lloyd's India Administrator Costs

The costs of operating the Lloyd's India office are covered in full by the Lloyd's international operating charge; there is no separate charge made to the service companies for the service of running Lloyd's India.

i. Employee Considerations

Each service company must have a resident employed CEO and CUO. All other staff with underwriting or claims authority must meet the local regulatory requirements. Any appointment of support staff shall be at the discretion of the service company.

j. Underwriting Governance & Controls

Permitted Classes of Business

Service companies may underwrite reinsurance business across general, life, and health lines, including specialty classes such as property, marine, energy, liability, and other approved segments. They may also write additional classes permitted by the IRDAI, covering both Indian and offshore reinsurance business, subject to regulatory approval and compliance.

Restricted Classes of Business

Service companies are restricted to reinsurance business only and are not permitted to write direct insurance. Indian risks must generally be placed with domestic insurers first, with foreign participation allowed only through approved reinsurance mechanisms.

They must not underwrite any class not approved by the IRDAI or Lloyd's and require prior approval before expanding into new lines of business or writing restricted classes governed by regulatory or policy constraints.

k. Taxation

Every managing agent is required to obtain its own taxation advice in relation to its India operations. Managing agents can contact any of the tax specialists listed at page no 24 & 25, as these entities are familiar with the Lloyd's structure and set up in India. Lloyd's India does not have any role or responsibility in handling tax matters for service companies or syndicates.

Adherence to tax requirements, e.g. Goods and Services Tax (GST) and corporation tax, are the sole responsibility of the service company. Furthermore, a service company must ensure that it is properly registered with the relevant tax authorities, and that all required tax filings, payments, and disclosures are completed in accordance with applicable laws.

The following are the taxes applicable to service companies and syndicates:

Direct taxes – Income tax

- The India non-resident corporation tax rate is currently 35%. (excluding surcharge and education cess of 0 to 10% of the tax rate depending on total income).
- The Indian domestic corporation tax rate is currently 22% (excluding surcharge and education cess).

- The presence of Lloyd's India service companies creates a permanent establishment in India for the underwriting members of the participating syndicates, and therefore they become subject to Indian corporation/income tax. The basis for the tax computations will be the audited Financials as per the applicable IRDAI regulations for the syndicate and audited accounts drawn up as per the Companies Act, 2013 for the service company.

Indirect taxes – GST

- GST is applicable on all services provided in India; this includes reinsurance. The rate is 18%, though some supplies are exempt.
- The service companies are responsible for applying the correct GST rates for the insurance business underwritten on behalf of the syndicate and filing their returns. In addition, the service companies are also liable to GST on the amounts invoiced to the syndicate under the services agreement.

I. Books of Accounts and Audit

Books of accounts

The books of accounts of the syndicate are required to be prepared in accordance with the applicable provisions of Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions) Regulations 2024 and its master circulars.

The books of accounts of the service company are required to be prepared in accordance with the Companies Act 2013 as amended from time to time.

Audit

The accounts of the syndicate and service company are required to be statutorily audited. In this regard, the appointment of statutory auditors is required to be Board Approved and has to be communicated to the Authority within 7 days of the appointment.

Actuarial

As per the agreed process with the regulator, the reserving and capital requirement for Lloyd's India will be performed centrally by Lloyd's. This reserve review will be performed by a qualified actuary with the assistance of a number of actuarial analysts in London

Lloyd's India Central actuarial function (Lloyd's India level)

There is:

A central / consulting actuary

Responsible for:

- Determining IBNR
- Signing off on solvency at platform level

Repatriation

- (1) Repatriation of Surplus or profits generated by the operations of branch of foreign reinsurer:

As per the provision of Master Circular on Reinsurance 2024, issued by IRDAI, syndicates can repatriate surplus or profit generated by the operation of branch to its head office without any prior approval of the Authority subject to the following conditions:

- Up to 50% of surplus or profits generated by the branch of foreign reinsurer as per the last audited financial statements can be repatriated;
- Repatriation can be done only once for every financial year;
- Solvency ratio is at least 50 bps higher than the control level of solvency after repatriation. Such higher solvency ratio shall be maintained for at least two quarters following the quarter in which repatriation of surplus or profits generated by the operations of branch is done;
- A certificate from certifying Actuary to the effect that sufficient reserves are made to meet the reinsurance liabilities is furnished to the Authority;
- Details of the repatriation as indicated below shall be submitted to the Authority within 7 days of repatriation.

Date of Repatriation	Amount of profit / surplus (Rs in crores)	Amount of repatriation (Rs in crores)	Proportion (%) of Profits / surplus repatriated	Reasons for repatriation

- (2) Repatriation of Funds/ Assigned capital other than Surplus or profits generated by the operations of branch of Foreign reinsurer:

As per the provision of Master Circular on Reinsurance 2024, issued by IRDAI, excess assigned capital other than surplus or profits generated by the branch of foreign reinsurer may be repatriated with prior approval of the Authority subject to the following:

- The request to repatriate the assigned capital shall be submitted by the Foreign Reinsurer, which is engaged in reinsurance business through a branch established in India, justifying the reasons for such request;
- A certificate from the Foreign Reinsurer stating that the Reinsurer has Net Owned Funds of INR five thousand crores (Rs. 50,000 million) or such amount as specified under Sec 6 (2) of the Insurance Act, 1938, as per the last audited balance sheet;

- (c) Minimum Assigned Capital as specified by the Authority at the time of grant of certificate of registration net of provisions as per regulations shall be ensured at all times;
- (d) Solvency ratio is at least 50 bps higher than the control level of solvency after repatriation. Such higher solvency ratio shall be maintained for at least two quarters following the quarter in which repatriation of assigned capital of branch is done;
- (e) Such repatriation shall not exceed 20% of assigned capital as per the last audited financial statements of branch of foreign reinsurer;
- (f) Not more than one request shall be made by the Foreign Reinsurer in a financial year;
- (g) A certificate from certifying Actuary to the effect that sufficient reserves are made to meet the reinsurance liabilities;
- (h) A certificate from practicing Chartered Accountant/Company Secretary that the request does not include the repatriation of surplus or profits as per sub regulation 8 of Reg. 30 of IRDAI (Registration and operations of Foreign Reinsurers branches and Lloyd's) Regulations, 2024
- (i) A certificate from practicing Chartered Accountant/Company Secretary on compliance with the FEMA requirements, RBI directions, tax laws and applicable regulatory framework.

m. Regulatory and Compliance Reporting

In accordance with the IRDAI (Registration and Operations of Foreign Reinsurers Branches and Lloyd's India) Regulations, 2024; the Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024; and the Master Circular on Reinsurance, 2024, Service companies are required to facilitate the preparation and submission of regulatory returns.

Set out below is a list of regulatory returns to be filed with the Authority.

- 1. Actuarial and Solvency Returns**
- 2. Financial and Accounting Returns**
- 3. Investment and Asset Reporting**
- 4. Reinsurance and Business Returns**
- 5. Corporate Governance and KMP Returns**
- 6. Audit and Compliance Returns**
- 7. Operational and Regulatory Filings**
- 8. Statistical and Business Returns**
- 9. Any other returns / reports made applicable by the Authority from time to time**

The timelines for the various submissions of the account can be found on the Lloyd's India Compliance Checklist and Calendar.

Non-compliance, including the submission of untimely, incomplete, or inaccurate Lloyd's or regulatory returns, may result in enforcement action by Lloyd's, including the imposition of financial penalties for delayed or deficient submissions, in accordance with the Overseas Fining Policy.

All interactions with IRDAI must be routed through Lloyd's India, and no direct communication with the regulator should be made without prior consultation and approval from Lloyd's India.

Please note that managing agents, service companies and their employees should advise Lloyd's India, in the first instance, on any matter they wish to discuss with the IRDAI and not contact the IRDAI directly as Lloyd's India is the designated point of contact for all official liaisons.

n. Lloyd's India Compliance Reporting

To ensure Lloyd's India is able to protect its single licence in India, it relies on the ongoing compliance of each and every service company to meet the Lloyd's India Compliance Reporting requirements. To gain assurance that the service companies are fulfilling their compliance duties, Lloyd's India requires a Lloyd's India Compliance Report (LICR) to be completed monthly and signed off by the service company CEO. The report covers the basic compliance requirements under the Lloyd's India regulations and other applicable regulations.

o. Service Company Regulatory Audit

In accordance with the provision of IRDAI (Registration and Operations of Foreign Reinsurers Branches and Lloyd's India) Regulations 2024 to ensure effective supervision and oversight by Lloyd's over its service companies, each service company is required to conduct an internal audit on an annual basis (based on the Lloyd's Principles of doing business) and submit a summary of the audit findings and compliance status to Lloyd's, for onward submission to the Authority.

p. Maintenance of Records

Service companies are required to maintain insurance and related records mandatorily in India in accordance with the Insurance Regulatory and Development Authority of India (Maintenance of Information by the Regulated Entities and Sharing of Information by the Authority) Regulations, 2025, and other applicable Indian laws and regulations, as well as relevant guidelines and circulars issued by the IRDAI from time to time.

All records relating to underwriting, policies, premiums, claims, financial transactions, and regulatory reporting must be accurately maintained, securely stored, and retained for the prescribed statutory period. Such records should be readily accessible for internal review, audit, and inspection by regulatory authorities, ensuring transparency, data integrity, and compliance with applicable legal and regulatory requirements.

q. Other Regulatory Compliances

In addition to the IRDAI regulatory requirements, the service company also needs to adhere to filing requirements with the Registrar of Companies, Foreign Exchange Management Act (FEMA) and Shop and Establishment Act Compliances.

The links to the same are provided here for your reference:

Registrar of Companies (ROC) - <http://www.mca.gov.in/>

Foreign Exchange Management Act (FEMA) - <https://www.rbi.org.in/scripts/Fema.aspx>

Shop and Establishment Act -

<https://portal.mcgm.gov.in/irj/portal/anonymous/qlonlineshops>

You may also seek the assistance of your Consultants for carrying the above stated compliances.

Electronic Transaction Administration and Settlement System (ETASS)

ETASS (Electronic Transaction Administration and Settlement System) is a digital platform developed by the General Insurance Council (GI Council) under the guidance of the Insurance Regulatory and Development Authority of India (IRDAI) to facilitate the administration, accounting, reconciliation, and settlement of reinsurance transactions in India.

For reinsurance business, ETASS-Re provides a centralized platform where insurers, reinsurers, Foreign Reinsurance Branches (FRBs), International Financial Service Centre Insurance Offices (IIOs), Cross Border Reinsurers (CBRs), and reinsurance brokers can

- Capture and confirm reinsurance contracts (Treaty and Facultative).
- Submit and reconcile Statements of Account (SOAs).
- Track amounts due to and due from counterparties.
- Manage settlement and payment-related information.
- Maintain a complete audit trail of transactions.
- Generate regulatory and management reports.
- Receive alerts and notifications for pending actions

Syndicates of Lloyd's that are registered as Cross Border Reinsurers (CBRs) are required to onboard themselves onto the ETASS platform. Once the syndicates are set up on the Lloyd's India platform, Lloyd's India will facilitate their onboarding to ETASS.

After successful onboarding, the General Insurance Council (GI Council) will create administrator user credentials. The administrator user will then be responsible for creating additional user accounts and assigning the necessary access rights to enable compliance and operational activities on the ETASS platform.

r. Claims

The ultimate responsibility for claims lies with the service company. The service company will have responsibility for effective claims management and for ensuring claims processes and claims adjustment meet the requirements set by the IRDAI and Lloyd's and is in accordance with the service company's claims management framework and policies.

s. Anti-bribery & Sanctions

As the business written by the service company on behalf of the syndicate is subject to IRDAI and UK regulations, as well as any other regulations applicable to the service company, all service company activities and business written must comply with all relevant Indian & UK regulatory requirements such as Sanctions, Anti-bribery and Anti-money laundering regulations.

t. Business Continuity

The service company is responsible for its own business continuity plan (BCP) and a copy of the BCP should be maintained in the office and be accessible to all staff. The BCP should contain procedures, processes and systems for restoring the orderly and expeditious operation of the service company's business in the event of any disruptions to its operations.

It should be noted that the process can take up to six months from establishing a business plan to the commencement of underwriting.

Key contacts for various service providers

Lawyers

Mr Satyendra Shrivastava

Consortia Legal
Krishna Chambers,
Vithaldas Thackersey Marg,

New Marine Lines, Churchgate,
Mumbai, Maharashtra 400020
(T) 022 3193 6399
(M) +91 8905 125173

Ms Shailaja Lall

Shardul Amarchand Mangaldas & Co
Amarchand Towers, 216 Okhla Industrial Estate, Phase III
New Delhi – 110 020, India
(T) +91 11 4159 0700, 4060 6060
(F) +91 11 2692 4900

Mr. Loknath Kar

Elpee Co.
C/1518, ONEBKC, G Block BKC,
Bandra East, Mumbai - 400051

Mr. Ashish Teni

Trilegal
1st Floor, Wing – A&B
Prius Platinum, D-3, District Centre,
Saket, New Delhi – 110017
(T) +91 011 41639393
(M) +91 74283 84545

Mr. Neeraj Tuli / Ms Celia Jenkins

Tuli & Co
604 Windfall Sahar Plaza Complex,
Sir Mathuradas VasANJI Road, Andheri (East)
Mumbai 400 059, India
(T) +91 22 6725 5421

Taxation, Advisory Accounting and Audit

Mr. Amit Kedia

Walker Chandiok & Co LLP
16th Floor, Tower II,
Indiabulls Finance Centre,
S B Marg, Elphinstone (W),
Mumbai 400013, India
(T): +91 22 6626 2600 / (F): +91 22 6626 2601

Mr. Manoj Purohit

Deloitte Haskins & Sells LLP– Indian Affiliate
Indiabulls Finance Centre,
Tower 3, 28th Floor, Senapati Bapat Marg, Elphinstone Road (W)
Mumbai – 400 013, India
(D): +91 22 6185 5790

Mr. Jairaj Purandare

Partner – JMP Advisors Private Limited
 12, Jolly Maker Chambers 11, Nariman Point,
 Mumbai 400 021, India
 (T): +91 22 22041666

Mr. Sanjeev Maheshwari

Partner I GMJ & Co
 3rd & 4th Floor, Vaastu Darshan,
 B Wing, Above Central Bank of India,
 Azad Road, Andheri (East)
 Mumbai 400069, India
 (T): +91 22 61919201/02/93 / (F): +91 22 26842221

Mr. Shashank Desai

Desai Saksena & Associates
 Laxmi Building, First Floor, Sir PM Road,
 Fort, Mumbai 4000001, India
 Tel: +91 22 66261600 / 66261617

Company Secretarial Service**Mr. Amit Kedia**

Walker Chandiok & Co LLP
 16th Floor, Tower II,
 Indiabulls Finance Centre,
 S B Marg, Elphinstone (W),
 Mumbai 400013, India
 (T): +91 22 6626 2600 / (F): +91 22 6626 2601

Actuarial Service**Mr. Dewi James & Mr. Navin Iyer**

CASNEWYDD I LLP
 301-302, 3rd floor, Good Earth City Centre,
 Sector 50, Gurugram - 122018,
 Haryana, India
 (M): +91 9871226555

Mr. Jayesh Dharmendra Pandit

K. A. Pandit
 Consultants & Actuaries
 2nd Floor, Churchgate House,
 Veer Nariman Road, Fort
 Mumbai 400 001
 (T) +91 22 42922232 / (F) +91 22 22883155

Templates and Documentation

Standard formats and templates relating to the establishment of a Service Company are available through Lloyd's India. For access to these documents, please contact:

- **Shefali Sehwan**i, Chief Executive Officer (CEO)
- **Sonali Chawda**, Chief Compliance Officer (CCO)