



PRESS RELEASE

Report of the Working Group to study on Alternate Risk Transfer (ART) arrangements submitted to IFSCA

The Working Group (WG) to study Alternate Risk Transfer (ART) arrangements has submitted its report to the Chairperson, IFSCA. The WG was set up by IFSCA in the light of the growing trend of catastrophic events driven by climate change and urbanization.

2). The WG under the chairmanship of Shri G. Srinivasan, current MD and CEO of Galaxy Health Insurance Company Limited (and former CMD of the New India Assurance Company) with other industry experts in the field of Alternate Risk Transfer (ART) arrangements was set up to study the feasibility of exploring the issuance of insurance-linked securities, especially catastrophe bonds, from India's maiden financial service centre, the GIFT IFSC.

3). The key terms of reference of the WG, *inter alia*, included advising IFSCA in structuring ART along with study of the regulatory framework / process in other jurisdictions, reviewing of current practices prevalent in global jurisdictions, and examining the offer of ART solutions within India and International jurisdictions.

4). The WG deliberated and examined the regulatory and institutional frameworks of peer jurisdictions like Bermuda, Singapore and Hong Kong. GIFT-IFSC and IFSCA – with right mix of conducive regulatory framework and enabling ecosystem for development of financial instruments [such as Insurance Linked Securities (ILS)] can be an attractive hub for ILS.

- 5). The recommendations of the committee *inter-alia* include:
- (i) Examining the setting up of Special Purpose Insurer (SPI) by cedant/(re)insurer under the extant regulatory framework;
 - (ii) Recognising acceptance of risk under ART contract (enabled in IFSCA and IRDAI regulations);
 - (iii) Framework on issuance of ILS to investors to collateralize the risk acquired;
 - (iv) Specifying types of investors to which ILS may be offered or sold (“Qualified Investors”) and prohibiting the Offer or Sale of ILS to any person other than a Qualified Investor;
 - (v) Specifying Periodic Disclosures / Reporting formats;
- 6). The report of the WG can be accessed on the IFSCA website at this [link](#).

July 30, 2025

Gift City, Gandhinagar