

**Re: Closure of TAC and apportionment of surplus assets to 5 PSUs****Background**

1. The process of winding up of TAC was initiated in the year 2011, with a Committee constituted by the Government of India, *inter alia*, directing the IRDAI to work out the modalities on various matters related to winding up of TAC such as redeployment, pension issues, winding-up related residual work and distribution of surplus assets among the five public sector general insurance companies namely General Insurance Corp. of India (GIC Re), National Insurance Co. Ltd., The New India Assurance Co. Ltd., The Oriental Insurance Co. Ltd. and United India Insurance Co. Ltd., after providing for all liabilities/contingent liabilities. The IRDAI was authorized to oversee the completion of the winding up process of TAC.
2. Accordingly, the following processes have been completed.
  - i) Employees of erstwhile TAC have been redeployed and their accrued individual balances in respect of provident fund, leave encashment, gratuity, GSLI and pension were settled to the respective companies from the available funds of TAC.
  - ii) The pension fund liabilities of the retired TAC employees are also sufficiently funded from the funds of erstwhile TAC and the fund is managed by LIC.

**ORDER**

3. Accordingly, pursuant to the powers vested with the Authority under Section 14 (2)(n) of the IRDA Act, 1999 and in compliance with the GOI directives, it is hereby directed as under:
  - i) The TAC (Employees') Pension Fund shall be administered by GIC Re till the survival of the last TAC pensioner/family pensioner and to carry out the obligations of TAC as per the trust deed. Thereafter, GIC Re shall claim surplus from LIC, if any available and redistribute such surplus among the 5 PSU general insurance companies. Further, any future shortfall in funds to be made good by the GIC Re but will be shared by 5 PSU general insurance companies.
  - ii) The existing properties of TAC and cash balance shall be distributed among five PSU companies. Distribution of flats shall be as under:

Name of the Company	Number of flats allotted		
	Occupied by the respective companies	Vacant	Total
General Insurance Corp. of India	1	1	2
The New India Assurance Co. Ltd.	2	1	3
National Insurance Co. Ltd.	3	1	4
The Oriental Insurance Co. Ltd.	3	2	5
United India Insurance Co. Ltd.	0	6	6
<b>Total</b>	<b>9</b>	<b>11</b>	<b>20</b>





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The surplus cash as on date available is Rs. 1,09,91,336/- The distribution of as on date surplus cash is as under:

Name of the Companies	Surplus cash share of respective companies (in ₹)
General Insurance Corp. of India	24,19,468
National Insurance Co. Ltd.	34,22,704
The New India Assurance Co. Ltd.	19,75,007
The Oriental Insurance Co. Ltd.	13,88,145
United India Insurance Co. Ltd.	17,86,012
<b>Total</b>	<b>1,09,91,336</b>

- iii) The flats are allotted as above on 'as is where is basis'. The Companies shall take necessary steps for taking possession of the flats allotted. The companies shall collect the available documents and keys of the properties allocated from IRDAI before 15.12.2017.
- iv) As of now, there is an income-tax refund claim of about Rs. 4.04 crore pertaining to TAC. GIC Re is hereby authorised to collect the receivables/payment of dues of TAC and distribute/share among the five PSUs after adjustment of all dues/recoveries. Any future liability or expenses shall be shared by the five PSU companies equally. Similarly any surplus which may come to notice in future shall also be distributed by GIC Re among the 5 PSUs.
- v) As per IRDAI order ref no: IRDA/TAC/ADMN/077/04/2011 dated 25.4.2011 (copy enclosed), retired TAC employees will continue to be covered under Group Mediclaim Policy of GIC Re.
- vi) The companies shall place this IRDAI order in respect of the above allocation of flats, distribution of surplus cash and transfer of administration of TAC (Employees') Pension Fund to GIC Re, to their respective Boards. A copy of the Board resolution shall be sent to the Authority to enable handing over the available documents keys of the above allocated flats to the respective companies. The companies shall ensure to send their Board resolutions by 30.11.2017 so that the entire process of the transfer of TAC properties and bank balances are completed by 31.12.2017.

Chairman  
IRDAI

1. General Insurance Corp. of India
2. The New India Assurance Co. Ltd.
3. National Insurance Co. Ltd.
4. The Oriental Insurance Co. Ltd.
5. United India Insurance Co. Ltd.





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TAC shall transfer the funds to the organizations where the employees are being deployed after making actuarial valuation.

In respect of retired Employees TAC has a policy with LIC to act as the Fund Manager for payment of Pension dues. The same may be handled by GIC and necessary information shall be passed on to the concerned employees by GIC.

It also has another policy with LIC to handle the financial needs of the Pension requirements with the same LIC Office to handle the Pension Fund on behalf of TAC. Since all organizations have the Pension Fund with LIC, the same may be transferred to the Companies where the employees shall be redeployed.

4. Mediclaim policy of serving and retired employees of Tariff Advisory Committee

The TAC has a Mediclaim policy for the financial year 2011 12 for its serving and retired employees from New India Assurance Company Limited. The redeployed employees shall be covered under the Group Mediclaim policy of the Company to which they are redeployed.

The retired employees of TAC shall be included in the Group Mediclaim Policy of GIC.

5. As far as possible the group III & IV employees being absorbed by the absorbing organization will be posted within a radius of 150 kms, at first instance.

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J. Harinarayan

Chairman,

Insurance Regulatory and Development Authority

**EXECUTIVE DIRECTOR (ADMN)**  
Insurance Regulatory and Development Authority  
Pariseram Bhavan, Basheerbagh, Hyderabad-500 004



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IRDA/ TAC/ ORD/ ADMN/ 077/ 04/ 2011

25<sup>th</sup> April, 2011

ORDER

Redistribution of individual employee balances of provident fund/ gratuity/ leave encashment to be transferred to the company

Further to IRDA's office order no. IRDA/ TAC/ ORD/ ADMN/ 075/ 04/ 2011 dated 25<sup>th</sup> April, 2011, in order to settle employee related liabilities such as provident fund, pension, gratuity, mediclaim, etc the Authority issues the following order:

1. Provident Fund

Presently the employees of TAC are members of 5 provident Fund Trust, viz. TAC HO Provident Fund Trust, Bombay Regional Office Provident Fund Trust, Delhi Provident Fund Trust, Kolkata Provident Fund Trust and Chennai Provident Fund Trust. The Trust shall hold a meeting for dissolution of the Trust after taking due permission from the concerned Income Tax Authority of that area. The TAC shall take steps to ensure that the balances of these individual employees are transferred to the respective organization where the employees are redeployed.

2. Leave Encashment and gratuity

The TAC has a Group Annuity Policy for Leave Encashment and Gratuity from LIC, Mumbai. Since all organizations have internal arrangements for leave encashment and gratuity, the Policy from LIC may be terminated and the balances due to the employees given to the respective employer

3. Pension Fund

TAC has a TAC Employees Pension Fund which has 66 members out of a total of 85 employees. The

