

Item	Category	Description
1	Pure captive insurance business	<p>(a) Subject to paragraph (b), the business of undertaking liability restricted to the risks of the parent and affiliated corporations in which the parent holds more than 50 per cent of voting rights.</p> <p>(b) The business of undertaking liability with respect to risks described in 2(B) provided that the gross written premium originating from such business, is less than 10 per cent of the total gross written premium and does not exceed 30 million rupees.</p>
2	Class 1 third party captive insurance business	<p>The business of undertaking liability with respect to both –</p> <p>(A) risks of the parent and affiliated corporations in which the parent holds more than 50 per cent of voting rights; and</p> <p>(B) risks or insurable interests of affiliated corporations in which the parent holds at least 20 per cent but not more than 50 per cent of voting rights;</p> <p>subject to such limitations, restrictions and conditions specified in FSC Rules or as may be determined by the Commission.</p>

- 3 Class 2 third party captive insurance business The business of undertaking liability with respect to both –
- (A) the risks described in 2(A); and
 - (B) the risks of any person with which the captive insurer is related through an insurable interest or the risks described in 2(B).
- subject to such limitations, restrictions and conditions specified in FSC Rules or as may be determined by the Commission.
- 4 Class 3 third party captive insurance business The business of undertaking liability with respect to the risks linked with the core product or service of the parent and affiliated corporations in which the parent holds more than 50 per cent of voting rights subject to such limitations, restrictions and conditions specified in FSC Rules or as may be determined by the Commission.

NOTE: –

The percentage of shareholding, restrictions, limitations and requirements set up above shall be applicable at cell level where the captive insurer is structured as a Protected Cell Company under the Protected Cell Company Act.