

F. No. 12018/2/2021-Ins.II
Government of India
Ministry of Finance
Department of Financial Services

Jeevan Deep Building, 2nd floor
Sansad Marg, New Delhi - 110 001
Dated 26th November 2024

Office Memorandum

Subject: Inviting comments on the proposed amendments to the Insurance Act, 1938, the Life Insurance Corporation Act, 1956 and Insurance Regulatory and Development Authority Act, 1999

It is proposed to amend certain provisions of Insurance laws to ensure accessibility and affordability of insurance to citizens, foster expansion and development of the insurance industry, and streamline business processes. In this regard, a comprehensive review of the legislative framework governing the sector has been done in consultation with IRDAI and the industry.

2. The proposed amendments primarily focus on promoting policyholders' interests, enhancing the financial security of the policyholders, facilitating entry of more players in insurance market leading to economic growth and employment generation, enhancing efficiencies of the insurance industry, enabling ease of doing business and enhancing insurance penetration to achieve goal of 'Insurance for All by 2047'.

3. The proposal includes raising the FDI limit in Indian Insurance Companies from 74% to 100%, and enabling an insurer to carry on one or more classes of insurance business and activities related/incidental to insurance. Further, the requirement of Net Owned Funds for foreign re-insurers is also proposed to be reduced from Rs. 5,000 crores to Rs. 1,000 crores. Also, IRDAI is being empowered to specify lower entry capital (not be less than Rs. 50 crores), for under-served or un-served segments on special case basis.

4. You are requested to kindly provide comments on the proposed amendments in the Insurance Act, 1938, the Life Insurance Corporation Act, 1956 and Insurance Regulatory and Development Authority Act, 1999 in the attached Performa with subject as "Suggestions on Proposed Amendments".

5. Comments may be sent on e-mail consultation-dfs@gov.in. Last date of sending your suggestions on the above is **10.12.2024**.

Encl. as above.


(Joy Saxena)

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