

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
RAJYA SABHA
UNSTARRED QUESTION No. 1840

ANSWERED ON TUESDAY, 16th DECEMBER, 2025/AGRAHAYANA 25, 1947 (SAKA)

STRENGTHENING INSURANCE REGULATION FRAMEWORK

1840 DR. AJEET MADHAVRAO GOPCHADE:

Will the Minister of FINANCE be pleased to state:

- (a) the action taken on the representation regarding the Study Report from the Seoul Center for Finance and Innovation, World Bank's Finance Division, titled "Establishing Efficient and Effective Insurance Guarantee Schemes";
- (b) whether Government proposes to revise or amend the Insurance Regulatory and Development Authority (IRDA) Act to strengthen the regulation of the insurance sector; and
- (c) the action taken on the representation submitted for legislative analysis of Insurance Regulatory Frameworks from Governments of Belize and Ghana, with a view to adopting their best practices to enhance regulation of the insurance sector in the country?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): The Study Report on 'Establishing Efficient and Effective Insurance Guarantee Schemes' focuses on creation of Insurance Guarantee Schemes (IGSs) based on international best practices, with a view to protect the policyholders and maintain public confidence and stability in the insurance sector.

As per the Insurance Regulatory and Development Authority of India (IRDAI), the mechanism to prevent insolvency of insurance companies is in place in India which includes maintenance of minimum solvency margin, maintenance of sufficient reserves for reported as well as for incurred but not reported liabilities/claims and reserves for future estimated claims. Thus, the solvency norms, investment regulations and policyholder protection regulations are in place in the country in this regard.

(b) and (c): Amendment of IRDA Act, 1999 is a part of the proposed amendments to the Insurance Laws which are under consideration of the Government. Further, the international best practices and regulatory frameworks of various countries have been analysed while drafting the proposed amendments.
