

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
RAJYA SABHA
UNSTARRED QUESTION NO. 3601
ANSWERED ON TUESDAY, MARCH, 24, 2026 / 3 CHAITRA, 1948 (SAKA)

INCREASE IN FDI CAP IN INSURANCE

3601. SHRI SANJAY KUMAR JHA:

Will the Minister of *Finance* be pleased to state:

- (a) whether the Ministry is likely to facilitate an FDI investment in insurance sector up to 100 per cent from the current 74 per cent;
- (b) if so, the amendments to the existing policy governing the Insurance sector that would facilitate such a transition; and
- (c) whether the Ministry besides allowing 100 per cent FDI in the insurance sector, also ensures that the cost of medical care without hospitalization and dental care, which are so far not covered under medical insurance, are brought under the ambit of insurance cover?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

- (a) & (b): Pursuant to the Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Act, 2025, FDI limit in Indian Insurance Companies has been raised from 74% to 100%. Section 3AA of the Insurance Act, 1938 provides that aggregate holdings of equity shares by foreign investors including portfolio investors in an Indian Insurance Company may extend up to 100% of the paid-up equity capital of such company. Accordingly, Indian Insurance Companies (Foreign Investment) Amendment Rules, 2025 were notified on 30th December 2025 to further facilitate ease of doing business by rationalizing the conditions for Indian insurance companies and insurance intermediaries.
- (c): Master Circular of IRDAI on Health Insurance Business dated 29.05.2024 enabled insurers to design health insurance products to cover all types of medical conditions and every situation of treatment including domiciliary hospitalization, outpatient treatment (OPD), Day Care and Homecare Treatment. In compliance with the above regulatory provisions, insurers design appropriate products that offer such coverages.
