

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 4247**

ANSWERED ON – 27.3.2023

**LICENSE FOR INSURANCE COMPANIES**

4247. SHRI M.K. RAGHAVAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is planning to introduce composite licensing for insurance companies in India, if so, the details thereof;
- (b) whether composite insurance can lead to monopolies of certain companies, if so, the details of steps and measures taken to ensure that such an issue does not happen;
- (c) whether the Government plans to revamp insurance laws in the country, if so, the details thereof;
- (d) whether insurance companies in India are following strict investment rules that ensures their liquidity ratios are within prescribed limits, if so, the details thereof; and
- (e) whether the Government has observed that recent policy interventions in insurance industry badly affects insurance agency work force and promotes brokers, if so, the details of steps taken to promote the interests of individual agents?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(DR. BHAGWAT KARAD)

**(a) to (c):** With a view to deepen penetration, accelerate growth and development of the insurance sector and enhance ease of doing business, a draft Insurance Law (Amendment) Bill has been put out for public consultation. The draft Bill includes provisions for an insurer to seek registration for one or more classes or sub-classes of insurance business from Insurance Regulatory and Development Authority of India (IRDAI), which would be subject to IRDAI regulations.

**(d):** Investment of assets of insurance companies is governed by provisions of sub-sections (1) to (7) of section 27 and sections 27A to 27E of the Insurance Act, 1938, which, *inter alia*, detail the manner, mode and classification of investments in various approved securities or approved investments. Investment by insurance companies are also subject to provisions of IRDAI (Investment) Regulation, 2016.

**(e):** IRDAI has informed that they have not come out with any policy interventions that affect insurance agency force and promote brokers. Further, IRDAI while amending or issuing new regulations, conducts wide public consultations with all the stakeholders, including insurance agents

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