

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION No.2550

ANSWERED ON MONDAY, 9 MARCH, 2026/ PHALGUNA 18, 1947 (SAKA)

FDI in Insurance Sector

2550. SHRI BALASHOWRY VALLABHANENI:

Will the Minister of FINANCE be pleased to state:

(a) the details of announcement made by Finance Minister in the Budget 2025-26 about 100% Foreign Direct Investment (FDI) in insurance sector;

(b) whether it is true that there is a big rider of this announcement which says that 100% FDI would be allowed only when company invest the entire 100% premium in the country, if so, the details thereof; and

(c) the measures taken by the Government for attracting foreign companies to invest 100% premium in the country?

ANSWER

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

(a) The Hon'ble Finance Minister, in Budget Speech for FY 2025-26, announced that "The FDI limit for the insurance sector will be raised from 74 to 100 per cent. This enhanced limit will be available for those companies which invest the entire premium in India. The current guardrails and conditionalities associated with foreign investment will be reviewed and simplified."

(b) Insurance Laws prohibit investment of funds of policyholders directly or indirectly outside India.

(c) Various measures have been taken for attracting foreign companies to invest 100% premium in the country including reviewing and simplifying the current guardrails and conditionalities associated with foreign investment, simplification and consolidation of regulations by the Insurance Regulatory and Development Authority of India, introducing one-time registration for insurance intermediaries and reducing the net owned fund requirement for Foreign Reinsurers' Branches etc.
