

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION No. †342.

ANSWERED ON MONDAY, 2nd FEBRUARY, 2026/MAGHA 13, 1947 (SAKA)

Amendments in Insurance Act, 1938

†342. SHRI VIRENDRA SINGH:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to amend Section 42(2) of the Insurance Act, 1938;
- (b) if so, the details thereof;
- (c) whether the said amendment is likely to affect insurance agents and if so, the details thereof;
- (d) whether the said amendment is likely to impact customer service also and if so, the details thereof;
- (e) whether the Government is prompting Life Insurance Corporation insurance agents to work for private insurance agencies/companies and if so, the details thereof alongwith its likely repercussions; and
- (f) the percentage decline in the number of LIC policy holders during the last six months and the reasons for the said decline?

ANSWER

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

(a) to (e): The Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Bill, 2025 has been passed by Parliament and has received the assent of the President of India in December, 2025. No amendment to Section 42(2) of the Insurance Act, 1938 has been made through the said amendment.

(f): As reported by Life Insurance Corporation of India, the number of policy holders has declined by 0.42% during the period 01.07.2025 to 31.12.2025, on account of increase in outgo by way of maturity and death claims.
