

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES  
**LOK SABHA**  
**UNSTARRED QUESTION No. 42**

ANSWERED ON MONDAY, 1<sup>st</sup> DECEMBER, 2025/AGRAHAYANA 10, 1947 (SAKA)

**Strengthening of Insurance Regulation Framework**

42. SHRI PARSHOTTAMBHAI RUPALA:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has taken any action 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) if so, the details thereof;

(c) whether the Government proposes to revise or amend the Insurance Regulatory and Development Authority (IRDA) Act to strengthen the regulation of the insurance sector; if so, the details thereof; and

(d) whether the Government has taken any action on the representation submitted for legislative analysis of IRDA; and

(e) if so, the details thereof?

**ANSWER**

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

(a) and (b): 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 address occurrence of 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.

(c) to (e): 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 and incorporated while drafting the proposed amendments

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