

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:412
ANSWERED ON:11.07.2014
FDI HIKE IN INSURANCE SECTOR
Sreeramulu Shri B.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to hike Foreign Direct Investment (FDI) in the insurance sector;
- (b) if so, the details thereof along with its objectives;
- (c) whether the Government has any proposal to seek the view of stakeholders of the insurance sector in this regard; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SMT. NIRMALA SITHARAMAN)

(a & b): The Government had introduced the Insurance Laws (Amendment) Bill, 2008 in the Rajya Sabha on 22.12.2008. The Bill, inter-alia, provides for holding of equity shares in Indian insurance companies by a foreign company, either by itself or through its subsidiary companies or its nominees to not exceed forty-nine percent of paid up equity capital. An increase in foreign equity share limit in insurance sector will potentially enable additional capital flows into the sector.

(c & d): Assessing and obtaining stakeholders` views through various means is a regular feature of Government functioning, including in the insurance sector.