

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:559  
ANSWERED ON:09.07.2004  
INSURANCE INDUSTRY  
Rao Shri Sambasiva Rayapati

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government has decided to give a new look to the insurance industry;
- (b) if so, the details thereof;
- (c) whether the Government is considering to have changes including allowing 49% foreign equity participation and also merging of insurance laws and certain amendments to the Insurance Act, 1999;
- (d) if so, the main changes proposed in this regard, and
- (e) the time by which these are likely to be announced?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALAN1MANICKAM)

(a) to (e) : Reforms in the insurance sector are a continuous process. The Government has decided to raise Foreign Direct Investment (FDI) limit for Insurance Sector to 49%, which has been announced in the Budget Speech. No decision has been taken regarding merging of Insurance laws and other amendments to Insurance Act, 1938.