

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

UNSTARRED QUESTION NO:3700  
ANSWERED ON:19.04.2010  
PRIVATISATION OF INSURANCE COMPANIES  
Jawale Shri Haribhau Madhav;Ray Shri Rudramadhab

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

- (a) whether there are proposals to raise the limit of Foreign Direct Investment (FDI) in insurance sector;
- (b) if so, the details thereof;
- (c) whether the Government insurance companies including Life Insurance Corporation of India (LIC) are on the verge of being privatized to source their capital requirements; and
- (d) if so, the details thereof;

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

(a) & (b): FDI upto 26% is presently allowed in the Insurance sector. The Government introduced the Insurance Laws (Amendment) Bill, 2008 in the Rajya Sabha on 22.12.2008. The Bill, inter-alia, provides for enhancement of holdings of equity shares by a foreign company, either by itself or through its subsidiary companies or its nominees in Indian Insurance Companies from 26% to 49% except in case of insurance co-operative societies where the limit continues to be 26%.

(c): No, Madam.

(d): Does not arise.