

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:734  
ANSWERED ON:12.11.2010  
FDI IN INSURANCE SECTOR  
Hussain Shri Syed Shahnawaz

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

- (a) whether the Government has received suggestions regarding increasing the ceiling of Foreign Direct Investment (FDI) in the insurance sector;
- (b) if so, the details thereof; and
- (c) the steps taken by the Government in this regard?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI NAMO NARAIN MEENA)

(a) (b) & (c): The Government in the Budget of financial year (2004-05) had announced raising of Foreign Direct Investment (FDI) limit in Indian insurance companies. Accordingly, Government has introduced the Insurance Laws (Amendment) Bill, 2008 in the Rajya Sabha on 22.12.2008. The Bill, inter-alia, provides the aggregate holdings of equity shares by a foreign company, either by itself or through its subsidiary companies or its nominees in Indian Insurance Companies from twenty six per cent to forty nine per cent (26% to 49%) except in case of insurance co-operative societies where the limit continues to be 26% as at present.