

Government of India
Ministry of Commerce & Industry
Department for Promotion of Industry and Internal Trade
FDI (Policy, Facilitation & Data) Section
FDI Policy Cell

Press Note No. 1 (2026 Series)

Subject: Review of Foreign Direct Investment (FDI) policy on Insurance Sector.

The Government of India has reviewed the extant FDI policy on Insurance sector and has made the following amendments under the Consolidated FDI Policy of 2020, as amended from time to time (FDI Policy):

1.1. Para 5.2.22 of FDI Policy is amended to be read as under:

5.2.22 Insurance

Sector/Activity	% of Equity/ Cap	Entry Route
5.2.22.1 Insurance Company	100%	Automatic
5.2.22.1A Life Insurance Corporation of India	20%	Automatic
5.2.22.2 Insurance Intermediaries including insurance brokers, re-insurance brokers, insurance consultants, corporate agents, third party administrator, Surveyors and Loss Assessors, managing general agents, insurance repositories and such other entities, as may be notified by the Insurance Regulatory and Development Authority of India from time to time.	100%	Automatic

5.2.22.3 Other Conditions

5.2.22.3.1 Other conditions applicable to Indian insurance companies and insurance intermediaries:

- (a) The aggregate holdings by way of total foreign investment in the equity shares of an Indian Insurance Company by foreign investors, including portfolio investors, is permitted up to one hundred per cent of the paid-up equity capital of such Indian Insurance company.
- (b) The foreign investment up to one hundred percent of the total paid-up equity of the Indian Insurance Company shall be allowed on the Automatic Route subject to approval/verification by the Insurance Regulatory and Development Authority of India.
- (c) Foreign investment in this sector shall be subject to compliance with the provisions of the Insurance Act, 1938, as amended from time to time and the condition that Companies receiving FDI shall obtain necessary license /approval from the Insurance Regulatory & Development Authority of India for undertaking insurance and related activities.
- (d) (I) In an Indian Insurance Company having foreign investment, at least one among the Chairperson of its Board, its Managing Director and its Chief Executive Officer, shall be Resident Indian Citizens.
(II) An Indian Insurance company having foreign investment shall comply with the provisions under the Indian Insurance Companies (Foreign investment) Rules, 2015, as amended from time to time and applicable rules/regulations notified by the Department of Financial Services/Insurance Regulatory and Development Authority of India, from time to time.
- (e) Foreign portfolio investment in an Indian Insurance company shall be governed by the provisions contained in Chapter-IV, Rule 10 and 11 read with Schedule II of Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, as amended from time to time and provisions of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time.
- (f) Any increase in foreign investment in an Indian Insurance company shall be in accordance with the pricing guidelines specified by Reserve Bank of India under the FEMA Regulations.
- (g) The foreign equity investment cap of 100 percent shall apply on the same terms as above to insurance brokers, re-insurance brokers, insurance consultants, corporate agents, third party administrator, Surveyors and Loss Assessors, managing general agents, insurance repositories and such other entities, as may be notified by the Insurance Regulatory and Development Authority of India from time to time.

- (h) The Foreign Direct Investment proposals shall be allowed under the Automatic Route subject to verification by the Authority and the foreign investment in intermediaries or insurance intermediaries shall be governed by the same terms as provided under rules 7 and 8 of the Indian Insurance Companies (Foreign Investment) Rules, 2015, as amended from time to time:

Provided that where an entity like a bank, whose primary business is outside the insurance area, is allowed by the Insurance Regulatory and Development Authority of India to function as an insurance intermediary, the foreign equity investment caps applicable in that sector shall continue to apply, subject to the condition that the revenues of such entities from their primary (i.e., non-insurance related) business must remain above 50 percent of their total revenues in any financial year.

- (i) The insurance intermediary that has majority shareholding of foreign investors shall undertake the following:
- i. be incorporated as a limited company under the provisions of the Companies Act, 2013;
 - ii. at least one from among the Chairman of the Board of Directors or the Chief Executive Officer or Principal Officer or Managing Director of the insurance intermediary shall be a resident Indian citizen;
 - iii. shall bring in the latest technological, managerial and other skills; and
 - iv. shall make disclosures in the formats to be specified by the Authority of all payments made to its group or promoter or subsidiary or interconnected or associate entities;
- (j) The provisions of Para (i) (b) and (d) of Annexure 8 relating to 'Banking-Private Sector', shall be applicable in respect of bank promoted insurance companies.
- (k) Terms 'Equity Share Capital', 'Foreign Direct Investment' (FDI), 'Foreign Investors', 'Foreign Portfolio Investment', 'Indian Insurance Company', 'Indian Company', 'Non-resident Entity', 'Resident Indian Citizen', 'Total Foreign investment' shall have the same meaning as provided in the rules notified by the Department of Financial Services under the Insurance Act, 1938 or in the regulations issued by Insurance Regulatory and Development Authority of India from time to time, in respect of foreign investment in Indian Insurance Companies and Insurance intermediaries.

5.2.22.3.2 Other conditions applicable to the Life Insurance Corporation of India (LIC) shall be as follows:

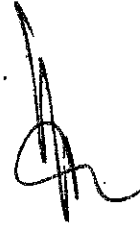
- (a) Foreign investment in LIC shall be subject to compliance with the provisions of the Life Insurance Corporation Act, 1956, as amended from time to time (LIC Act) and such

provisions of the Insurance Act, 1938, as amended from time to time, as are applicable to LIC as per the provisions of Section 43 of the LIC Act.

- (b) Clauses (e) and (f) of Paragraph 5.2.22.3.1 above, shall also apply to LIC as if reference therein to an Indian Insurance Company is a reference to LIC.
- (c) The terms referred to in clause (k) of Paragraph 5.2.22.3.1 above, shall have the meaning as referred to therein.

Explanation: For the purposes of Paragraph 5.2.22.3.2 any reference to Indian insurance company or company in the meaning provided to any term (referred to in clause (k) of Paragraph 5.2.22.3.1) in the rules or regulations referred to therein, shall be construed as a reference to LIC.

2. The above decision will take effect from the date of FEMA notification.



(Jai Prakash Shivhare)

Joint Secretary to the Government of India

DPIIT F. No. 5(3)/2021-FDI Policy dated 09.02.2026

Copy forwarded to:

1. **Press Information Officer**, Press Information Bureau- For giving wide publicity to the above Press Note.
2. **Joint Secretary**, Department of Economic Affairs, Kartavya Bhawan, New Delhi - For suitably incorporating the policy changes in Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, the relevant schedules thereof and FIRMS portal
3. **Reserve Bank of India**, Foreign Exchange Department, Mumbai - For suitably incorporating the policy changes in Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, the relevant schedules thereof and FIRMS portal
4. **Joint Secretary**, Department of Financial Services, Jeevan Deep Building, New Delhi
5. **NIC Section** in the Department for Promotion of Industry and Internal Trade - For uploading the Press Note on DPIIT's website.
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