

**ALL INDIA BANK EMPLOYEES' ASSOCIATION
ALL INDIA BANK OFFICERS' CONFEDERATION
NATIONAL CONFEDERATION OF BANK EMPLOYEES
FEDERATION OF LIC CLASS I OFFICERS' ASSOCIATIONS
ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION
GENERAL INSURANCE EMPLOYEES' ALL INDIA ASSOCIATION
ALL INDIA LIC EMPLOYEES' FEDERATION
ALL INDIA BANK OFFICERS' ASSOCIATION
BANK EMPLOYEES' FEDERATION OF INDIA**

16TH December, 2025

Joint Appeal – Resist 100% FDI in Insurance Sector

The Union Finance Minister Smt. Nirmala Sitharaman tabled the Insurance Laws (Amendment) Bill 2025 today in the Lok Sabha. The Bill has been deceptively titled “The Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Bill 2025”. The Government has deployed pro-people rhetoric to legitimize a policy that essentially undermines public interest.

The Bill seeks to amend three laws: Insurance Act 1938, Life Insurance Corporation Act 1956 and Insurance Regulatory and Development Authority Act 1999. The stated objectives of the amendments are to accelerate growth of the insurance sector, enhance policyholder protection, improve ease of doing business, and strengthen regulatory transparency and oversight. However, a closer scrutiny makes it amply clear that the real intent seems something pernicious; it aims at handing over India’s precious domestic savings to foreign capital on a platter.

The Bill seeks to allow foreign investment up to 100% in Indian insurance companies. FDI hike to 100 per cent will neither benefit the Indian economy nor will it bring any benefit to the insuring public. This will only enable the foreign capital to gain greater access and control over the domestic savings. It is common knowledge that domestic savings play the most important role in the development of the economy. India as a Welfare State must have a bigger control over the domestic savings to fulfil the constitutional obligations.

All the major foreign companies are already operating in the country in partnership with domestic insurers. The existing FDI limit of 74% is more than adequate and is not an obstacle to the growth and expansion of the private sector in insurance business. In fact, the Minister of State for Finance Sri Pankaj Chaudhary has informed, vide a reply to an unstarred Question No.877 in the Rajya Sabha on 3rd December 2024, that the present level of foreign equity in the insurance industry at Rs.31,365.57 crore (as at 31st March 2024) is only 32.67% against the permissible limit of 74%.

Since the time the FDI limit was raised to 74%, only four companies, viz., Future Generali Life, Ageas, AVIVA and Credit Access Life insurance company, in the life insurance sector utilized the cap. Some major companies like Acko Life, Bandhan Life, Bharti AXA Life, Kotak Mahindra Insurance, MAX Life and Sahara India Life, don’t have any foreign equity at all, as per IRDA Annual Report 2023-24.

Moreover, the FDI hike to 100% will disrupt the insurance industry as it will have a disastrous impact on the domestic companies if the foreign partners decide to withdraw from the Joint ventures to run the business independently. It is a fact that foreign capital comes in search of greater profits. This means that the target would be the high net worth clients and most profitable business as is the case with the totally foreign owned banks. Such an eventuality would force the domestic insurers to compete for the most profitable business to the total neglect of the need for insurance to the lower middle classes and the marginalized sections of the society. There is therefore absolutely no justification to increase the FDI limit to 100 per cent from the present level of 74 per cent.

It would be imprudent to allow foreign capital greater access to and control over domestic savings. The need is to maintain caution especially when the economy is facing uncertainty in view of the ongoing tariff wars and the huge outflow of capital as is being evidenced in our country now.

Hold joint protest demonstrations on 18th Dec. 2025 :

In view of this, we call upon our units and members to hold joint demonstrations on the 18th of December 2025 (Thursday) in all State Capitals, District Headquarters and in all towns/centres and register our emphatic protest against the retrograde move.

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