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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

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MINISTRY OF LAW AND JUSTICE
(Legislative Department)

New Delhi, the 21*st December,* 2025*/Agrahayana* 30, 1947 *(Saka)*

The following Act of Parliament received the assent of the President on the 20th December, 2025 and is hereby published for general information:—

THE SABKA BIMA SABKI RAKSHA (AMENDMENT OF INSURANCE LAWS) ACT, 2025

No. 40 OF 2025

[20*th December,* 2025.]

An Act further to amend the Insurance Act, 1938, the Life Insurance Corporation Act, 1956 and the Insurance Regulatory and Development Authority Act, 1999.

BE it enacted by Parliament in the Seventy-sixth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. (*1*) This Act may be called the *Sabka Bima Sabki Raksha* (Amendment of Insurance Laws) Act, 2025. Short title and commencement.

(*2*) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

CHAPTER II

AMENDMENTS TO THE INSURANCE ACT, 1938

Construction of references of certain expressions by certain other expressions.

2. Throughout the Insurance Act, 1938 (hereafter in this Chapter referred to as the principal Act), 4 of 1938.—

(*a*) for the words "business of insurance", wherever they occur, the words "insurance business" shall be substituted;

(*b*) with respect to the term "insurer", wherever it occurs, for the consequential terms, in respect of the same like "he, him or his", the words "it or its" shall be substituted;

(*c*) for the words "intermediary or insurance intermediary", wherever they occur, the words "insurance intermediary" shall be substituted.

Amendment of section 2.

3. In section 2 of the principal Act,—

(*i*) in clause (*3*),—

(*a*) in sub-clause (*ii*), for the words "or city improvement trust in any presidency town;", the word "; and" shall be substituted;

(*b*) sub-clause (*iv*) shall be omitted;

(*ii*) in clause (*4A*), for the words, brackets and figures "sub-section (*1*) of section 5 of the Banking Companies Act, 1949", the words and figures "section 5 of the Banking Regulation Act, 1949" shall be substituted; 10 of 1949. 10 of 1949.

(*iii*) in clause (*5*),—

(*a*) the words and figures "or a provident society as defined in Part III" shall be omitted;

(*b*) for the words "or provident society", the words "or any person authorised by it" shall be substituted;

(*iv*) after clause (*5*), the following clause shall be inserted, namely:—

'(*5A*) "class of insurance business" means the class of—

(*a*) life insurance business;

(*b*) general insurance business;

(*c*) health insurance business;

(*d*) re-insurance business; or

(*e*) such other class of insurance business as may be notified by the Central Government in consultation with the Authority from time to time;';

(*v*) for clause (*6C*), the following clauses shall be substituted, namely:—

'(*6C*) "health insurance business" means the business of effecting the contracts of insurance that provide sickness benefits or pay for medical and health expenses and includes,—

(*i*) the personal accident insurance business of effecting the contracts of insurance that provide for payment of money in the event of death, disablement or hospitalisation arising out of an accident; and

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(*ii*) the travel insurance business of effecting the contracts of insurance that provide for sickness benefits or pay for medical and health expenses or payment of money in the event of death, disablement or hospitalisation arising out of an accident or for losses suffered, in the course of travel;

(*6D*) "insurance business" means the business of effecting insurance contracts and includes any other form of contract as may be notified by the Central Government in consultation with the Authority from time to time.

Explanation.—In this clause, the expression "insurance contract" means the contract whereby the insurer, on payment of premium, undertakes to assume risk and to pay to the insured person an agreed compensation for loss, damage or liability arising from a contingent event on such terms and conditions and subject to such limitations as may be agreed;';

(*vi*) for clause (*7A*), the following clause shall be substituted, namely:—

'(*7A*) "Indian insurance company" means an insurer which is a company formed and registered under the Companies Act, 2013, as a public company and whose sole purpose is to carry on life insurance business or general insurance business or re-insurance business or health insurance business;';

18 of 2013.

(*vii*) for clause (*8A*), the following clause shall be substituted, namely:—

'(*8A*) "insurance co-operative society" means an insurer being a co-operative society formed and registered on or after the commencement of the Insurance (Amendment) Act, 2002, as a co-operative society under—

42 of 2002.

(*a*) the provisions of the Co-operative Societies Act, 1912;

2 of 1912.

(*b*) any other law for the time being in force in any State relating to co-operative societies; or

(*c*) the provisions of the Multi-State Co-operative Societies Act, 2002,

39 of 2002.

and whose sole purpose is to carry on life insurance business or general insurance business or health insurance business in India;';

(*viii*) for clause (*9*), the following clause shall be substituted, namely:—

'(*9*) "insurer" means a person who carries on insurance business;';

(*ix*) for clause (*10B*), the following clause shall be substituted, namely:—

'(*10B*) "insurance intermediary" includes—

(*a*) insurance brokers;

(*b*) re-insurance brokers;

(*c*) insurance consultants;

(*d*) corporate agents;

(*e*) third party administrator;

(*f*) surveyors and loss assessors;

(*g*) managing general agents;

(*h*) insurance repositories; and

(*i*) such other entities, as may be notified by the Authority from time to time;';

(*x*) in clause (*13BA*), for the word, figures and letters "section 10FB", the word and figures "section 408" shall be substituted;

(*xi*) in clause (*13BB*), for the words, brackets, figures and letters "sub-section (*1*) of section 10FR", the word and figures "section 410" shall be substituted;

(*xii*) after clause (*13BB*), the following clause shall be inserted, namely:—

'(*13BC*) "premium" means the amount paid or payable as consideration to the insurer by the policyholder for a contract of insurance;';

(*xiii*) after clause (*14*), the following clause shall be inserted, namely:—

'(*14A*) "principal officer" means an officer of an insurer, authorised as such for the purposes of this Act;';

(*xiv*) in clause (*16*), for the word, brackets and figures "clause (*72*)", the word, brackets and figures "clause (*71*)" shall be substituted.

Amendment of section 2C.

4. In section 2C of the principal Act,—

(*a*) in sub-section (*1*),—

(*i*) in clause (*b*), after the words "relating to co-operative societies", the words and figures "or the Multi-State Co-operative Societies Act, 2002" shall be inserted; 39 of 2002.

(*ii*) after clause (*b*), the following clause shall be inserted, namely:—

"(*ba*) a statutory body established by an Act of Parliament for time being in force to carry on insurance business; or";

(*iii*) for clause (*c*), the following clause shall be substituted, namely:—

"(*c*) a company or a body established or incorporated under a law of any country outside India and engaged in re-insurance business that establishes a branch in India for the purpose of re-insurance business exclusively and includes Lloyd's established under the Lloyd's Act, 1871 (United Kingdom) or any of its Members:"; 34 of 1871 (UK).

(*iv*) after the third proviso, the following proviso shall be inserted, namely:—

"Provided also that no company or a body established or incorporated under a law of any country outside India shall carry on any class of insurance business, other than re-insurance:";

(*v*) in the fourth proviso, for the words, brackets and letter "an insurer, being an Indian Insurance Company, insurance co-operative society or, a body corporate referred to in clause (*c*) of this sub-section carrying on the business of insurance", the words "that an insurer carrying on insurance business" shall be substituted;

(*b*) after sub-section (*3*), the following sub-sections shall be inserted, namely:—

"(*4*) No person other than an insurer shall use as part of its name or in connection with its business any of the words "insurance", "insurer", "assurance", "re-insurance", "insurance company" or any of their derivatives and no person shall carry on the insurance business in India unless it uses as part of its name at least one of such words, as may be specified by the regulations.

(*5*) An insurance intermediary may only use the words "insurance", "assurance", or "insurance company" to indicate the nature of its organisation and services as an insurance intermediary, in accordance with the regulations.

(*6*) An association of insurers or insurance intermediaries formed for the protection of their mutual interests and registered under the Companies Act, 2013 or any other applicable law may only use the words "insurance", "assurance", or "insurance company" to indicate the nature of its organisation, purposes and services, in accordance with the regulations.".

18 of 2013.

5. In section 2CA of the principal Act,— Amendment of section 2CA.

(*i*) in the marginal heading, after the words "Special Economic Zones", the words "and International Financial Services Centres set up in Special Economic Zones" shall be inserted;

(*ii*) for clauses (*a*) and (*b*), the following clauses shall be substituted, namely:—

"(*a*) shall not apply to an insurer or insurance intermediary in any Special Economic Zone including International Financial Services Centres, set up under the provisions of the Special Economic Zones Act, 2005;

28 of 2005.

(*b*) shall apply to the insurer or insurance intermediary in any Special Economic Zone including International Financial Services Centres, set up under the provisions of the Special Economic Zones Act, 2005, with such exceptions, modifications and adaptations as may be specified in the notification.".

28 of 2005.

6. In section 3 of the principal Act,— Amendment of section 3.

(*i*) for sub-sections (*2*) and (*2A*), the following sub-sections shall be substituted, namely:—

"(*2*) Every application for registration shall be in such form, manner and be accompanied by such documents and by such fee as may be specified by the regulations.

(*2A*) On receipt of an application for registration under sub-section (*2*), the Authority may, if satisfied after such inquiry as it may deem necessary, that,—

(*a*) the financial condition and the general character of management of the applicant are sound;

(*b*) the projected volume of business, the capital structure and earning prospects of the applicant shall be adequate;

(*c*) the interest of the general public shall be served, if the certificate of registration is granted to the applicant; and

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(*d*) the applicant has complied with the provisions of this Act, as may be applicable and all other conditions as may be specified by the Authority,

register the applicant as an insurer and grant it a certificate of registration.";

(*ii*) in sub-section (*3*), for the words, brackets, letter and figures "sub-clause (*d*) of clause (*9*) of section 2", the words, brackets, letters and figures "clause (*c*) of sub-section (*1*) of section 2C" shall be substituted;

(*iii*) in sub-section (*5C*), the words, brackets, figures and letter "or has had an application under sub-section (*4*) of section 3A accepted," shall be omitted;

(*iv*) in sub-section (*5D*), for the word "Court", wherever it occurs, the words "National Company Law Tribunal" shall be substituted.

Insertion of new section 3AA.

7. After section 3A of the principal Act, the following section shall be inserted, namely:—

Foreign investment in equity.

"3AA. On and from the date of commencement of the *Sabka Bima Sabki Raksha* (Amendment of Insurance Laws) Act, 2025, the aggregate holdings of equity shares by foreign investors including portfolio investors in an Indian insurance company may extend up to one hundred per cent. of the paid-up equity capital and the foreign investment by such investors shall be subject to such conditions and such manner as may be prescribed.

Explanation.—For the removal of doubts, it is hereby clarified that the foreign direct investment in an Indian insurance company may extend up to one hundred per cent. to accelerate the growth in the insurance sector.".

Amendment of section 6.

8. In section 6 of the principal Act,—

(*i*) in sub-section (*1*), for the words, brackets, letter and figures "sub-clause (*d*) of clause (*9*) of section 2", the words, brackets, letters and figures "clause (*c*) of sub-section (*1*) of section 2C" shall be substituted;

(*ii*) for sub-section (*2*), the following sub-section shall be substituted, namely:—

"(*2*) No insurer referred to in clause (*c*) of sub-section (*1*) of section 2C, shall be registered unless it has net owned fund of not less than one thousand crore rupees.".

Amendment of section 6A.

9. In section 6A of the principal Act,—

(*a*) in sub-section (*1*), for the words "life insurance business or general insurance business or health insurance business or re-insurance business", the words "insurance business" shall be substituted;

(*b*) in sub-section (*4*),—

(*i*) for the words "life insurance business, general and health insurance business and re-insurance business", the words "insurance business" shall be substituted;

(*ii*) in clause (*b*), in sub-clause (*iii*), for the words "one per cent.", the words "five per cent." shall be substituted;

(*c*) in sub-section (*11*), in clause (*i*), for the words, brackets and figures "sub-sections (*1*), (*3*), (*5*) and (*6*)", the words, brackets and figures "sub-sections (*1*) and (*5*)" shall be substituted.

Amendment of section 6B.

10. In section 6B of the principal Act, in sub-section (*1*), for the words "life or general or health insurance or re-insurance business", the words "insurance business" shall be substituted.

Amendment of section 10.

11. In section 10 of the principal Act, in sub-section 2,—

(*a*) the words, brackets and figure "sub-section (*1*) of" shall be omitted;

(*b*) for the word "Controller", the word "Authority" shall be substituted;

(*c*) in the first proviso, the words, brackets and letter, "clause (*a*) of" shall be omitted.

Amendment of section 11.

12. In section 11 of the principal Act, in sub-section (*1*), after the words "a revenue account", the words "and other financial statements" shall be inserted.

Insertion of new section 12A.

13. After section 12 of the principal Act, the following section shall be inserted, namely:—

Appointment of Actuary by insurer.

"12A. The eligibility criteria and experience for appointment of an Actuary by an insurer and the powers and functions of the Actuary shall be such as may be specified by the regulations.".

Amendment of section 13.

14. In section 13 of the principal Act,—

(*i*) for the marginal heading, the following marginal heading shall be substituted, namely:—

"Actuary report.";

(*ii*) for sub-sections (*1*) and (*2*), the following sub-sections shall be substituted, namely:—

"(*1*) In every financial year, every insurer shall cause an investigation to be made by an Actuary into the financial condition of the business carried on by it including the valuation of its liabilities in respect thereto and shall cause a report of such Actuary to be made for such purpose and in such manner as may be specified by the regulations.

(*1A*) The Authority may, having regard to the circumstances of any particular insurer, allow the insurer to have the investigation made at a date not later than two years from the date on which the previous investigation was made.

(*2*) The provisions of sub-section (*1*) regarding the making of a report shall apply to an investigation into the financial condition of the insurer made with a view to the distribution of profits or an investigation made for any such purpose as the Authority may determine.";

(*iii*) in sub-sections (*3*) and (*4*), for the word "abstract", the word "report" shall be substituted;

(*iv*) sub-section (*6*) shall be omitted.

Substitution of new sections for section 14.

15. For section 14 of the principal Act, the following sections shall be substituted, namely:—

Record of policies and claims.

"14. (*1*) Every insurer, in respect of all business transacted by him, shall maintain—

(*a*) a complete record of policies which shall contain all details of the policy application, policy contract and other relevant and connected information including,—

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(*i*) in respect of every policy issued by the insurer to an individual, the name, date of birth, address and (where available) email address of the policyholder, Aadhaar number or Permanent Account Number or such other identification number issued by any Central Authority for the purpose of unique identification of the individual, the date when the policy was effected and a record of any transfer, assignment or nomination of which the insurer has notice and any other information which the Authority shall specify from time to time;

(*ii*) in respect of every policy issued by the insurer to any entity, the name, date of incorporation, address and email address, registration number or Permanent Account Number or such other identification number issued by any Central Authority for the purpose of unique identification of such entity, the date when the policy was effected and a record of any transfer, assignment or nomination of which the insurer has notice and any other information which the Authority shall specify from time to time;

(*b*) a record of claims, every claim made together with the date of the claim, the name and address of the claimant and the date on which the claim was discharged, or, in the case of a claim which is rejected, the date of rejection and the grounds thereof; and

(*c*) a record of policies and claims in accordance with clauses (*a*) and (*b*) may be maintained in such form, including electronic mode, as may be specified by the regulations.

(*2*) Every insurer shall, in respect of all business transacted by him, endeavour to issue policies above a specified threshold in terms of sum assured and premium in electronic form, in such manner and form as may be specified by the regulations.

(*3*) Every insurer shall on a concurrent basis, submit to the Authority or any entity regulated and authorised by the Authority, the record of policies as stated in clauses (*a*), (*b*) and (*c*) of sub-section (*1*) in the manner and the details as may be specified by the regulations.

Processing of information of policyholders by insurers or other regulated entities of Authority.

14A. (*1*) The Authority may direct the insurers or other regulated entities of the Authority to process the Know Your Customer (KYC) information of the policyholders and the information and documents processed during the solicitation or subsequently, shall be in such form and manner, as may be specified by the regulations for the purposes of this Act and any other law for the time being in force.

(*2*) The processing of the Know Your Customer (KYC) information of the policyholder and the information and documents processed during the solicitation or subsequently by the insurers or other regulated entities of the Authority shall be deemed to be valid for the performance of their functions under this Act or any other law for the time being in force.

(*3*) The insurers or the other regulated entities of the Authority shall use the Know Your Customer (KYC) information of the policyholder and the information and documents processed during the solicitation or subsequently received in this section solely for the efficient discharge of its duties under this Act.

Accuracy and security of information of policyholders.

14B. An insurer or other regulated entities of the Authority in possession or control of information of the policyholders, shall take such steps, as may be specified by the regulations, to ensure that the information of the policyholders maintained by such insurers or other regulated entities is accurate, complete and updated in all respects, secure and duly protected against any loss or unauthorised access or use, or unauthorised disclosure thereof.

Confidentiality of information of policyholders.

14C. (*1*) Subject to any other law for the time being in force, insurers and other regulated entities of the Authority shall ensure that the Know Your Customer (KYC) information of the policyholders and the information and documents processed during the solicitation or subsequently during all times are maintained with utmost confidentiality and would be comprehensively protected.

(*2*) Subject to sub-section (*1*), the said information shall not be parted or shared with any third party, except,—

(*a*) where disclosure is compulsory in law;

(*b*) where there is duty to the public to disclose; or

(*c*) where the disclosure is made with the express consent of the customer.".

Substitution of new section for section 15.

16. For section 15 of the principal Act, the following section shall be substituted, namely:—

Submission of returns.

"15. The audited accounts and statements referred to in section 11 or sub-section (*5*) of section 13 and the statement referred to in section 13 shall be furnished to the Authority in such form and manner as may be specified by the regulations within a period of six months from the end of the period to which they refer.".

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Amendment of section 21.

17. In section 21 of the principal Act, in sub-section (*1*), in clause (*d*), the words, figures and letters "or section 28A or section 28B" shall be omitted.

Amendment of section 22.

18. In section 22 of the principal Act, in sub-section (*2*), the words, brackets and figures "of sub-sections (*1*) and (*2*) of" shall be omitted.

Amendment of section 26.

19. In section 26 of the principal Act, the words, brackets and letter "referred to, and, where the alteration affects the assured rates, advantages, terms and conditions offered in connection with life insurance policies the actuarial certificate referred to in clause (*f*) of the said sub-section shall accompany the particulars of the alteration" occurring at the end, shall be omitted.

Substitution of new section for section 27.

20. For section 27 of the principal Act, the following section shall be substituted, namely:—

Investment of assets.

'27. (*1*) Every insurer shall, in order to meet its liabilities, invest and at all times keep invested assets of value not less than that of the liabilities in the following manner, namely:—

(*a*) in case of an insurer carrying on life insurance business—

(*i*) twenty-five per cent. of the said assets in Government securities;

(*ii*) a further sum equal to not less than twenty-five per cent. of the said sum in Government securities or other approved securities; and

(*iii*) the balance, in any of such approved investments, with such limitations, conditions and restrictions as may be specified by the regulations;

(*b*) in the case of an insurer carrying on insurance business, other than life insurance business—

(*i*) twenty per cent. of the said assets in Government securities;

(*ii*) a further sum equal to not less than ten per cent. of the said sum in Government securities or other approved securities; and

(*iii*) the balance, in any of such approved investments, with such limitations, conditions and restrictions as may be specified by the regulations:

Provided that an insurer may, subject to such conditions as may be specified by the regulations, invest or keep invested any part of its controlled funds or assets otherwise than in approved investments, if such investments do not exceed fifteen per cent. of the assets referred to in this sub-section.

(*2*) The investment of the whole or any part of the assets of the insurer shall be subject to—

(*a*) the condition that the assets referred to in sub-section (*1*) shall be held free of any encumbrance, charge, hypothecation or lien; and

(*b*) such limitations and conditions as may be specified by the regulations:

Provided that nothing contained in this sub-section shall apply to a repo or a reverse repo transaction or a Government securities lending transaction undertaken in terms of the Reserve Bank of India Act, 1934 or directions issued thereunder. 2 of 1934.

(*3*) Subject to such terms and conditions as may be specified by the regulations, an insurer may invest not more than five per cent. of the assets referred to in sub-section (*1*), by value, in a company or other body corporate which is owned or controlled by the promoters.

(*4*) Nothing contained in this section shall be deemed to affect in any way, the manner in which any money relating to the provident fund of any employee or to any security taken from any employee or other moneys of a like nature are required to be held by or under any Central Act or State Act for the time being in force.

(*5*) The assets being invested by an insurer incorporated or domiciled outside India, except to the extent of any part thereof which consists of foreign assets held outside India, shall be held in India and in the trust for the discharge of the liabilities and shall be vested in trustees resident in India and approved by the Authority, and the instrument of such trust shall be executed by the insurer, with the approval of the Authority, in such manner as may be specified by the regulations.

(*6*) The Authority may, either generally or in any particular case, direct that any investment shall, subject to such conditions as may be imposed, be taken into account, in such manner as may be specified by the regulations, in computing the assets referred to in sub-section (*1*), and where any direction has been issued under this sub-section, the copies thereof shall be laid before each House of Parliament as soon as may be after it is issued.

(*7*) If, at any time, the Authority considers any one or more of the investments of an insurer to be unsuitable or undesirable, the Authority may, after giving the insurer an opportunity of being heard, direct it to realise the investment or investments, and the insurer shall comply with the direction within such time as may be specified by the regulations.

(*8*) Without prejudice to anything contained in this section, the Authority may, in the interest of the policyholders, specify by the regulations, the time, manner and other conditions of investment of assets to be held by an insurer for the purposes of this Act.

(*9*) The Authority may give specific directions for the time, manner and other conditions subject to which the funds of policyholders shall be invested in the infrastructure and social sector, as may be specified by the regulations.

(*10*) The Authority may, after taking into account the nature of business and to protect the interest of the policyholders, issue to an insurer the directions relating to the time, manner and other conditions of investment of assets to be held by it:

Provided that no direction under this sub-section shall be issued unless the insurer concerned has been given an opportunity of being heard.

Explanation.—For the purposes of this section, the expressions—

(*i*) "assets" means all the assets of insurer at their carrying value but does not include any assets specifically held against any fund or portion thereof in respect of which the Authority is satisfied that such fund or portion thereof, as the case may be, is regulated by the law of any country outside India or miscellaneous expenditure or in respect of which the Authority is satisfied that it would not be in the interest of the insurer to apply the provisions of this section;

(*ii*) "controlled", in relation to a company or other body corporate, means the right to appoint majority of its directors or to control its management or policy decisions exercisable by the promoters acting individually or in concert, directly or indirectly, including by virtue of shareholding or management rights or shareholders agreements or voting agreements;

(*iii*) "controlled funds" mean,—

(*a*) in the case of any insurer carrying on life insurance business—

(*i*) all its funds, if it carries on no other class of insurance business;

(*ii*) all the funds in India appertaining to life insurance business if it carries on some other class of insurance business also:

Provided that the fund referred to in sub-clause (*a*) shall not include any fund or portion thereof in respect of which the Authority is satisfied that such fund or portion, as the case may be, is regulated by the law in force of any country outside India or it would not be in the interest of the insurer to apply the provisions of this section;

(*b*) in the case of any other insurer carrying on life insurance business—

(*i*) all its funds in India, if it carries on no other class of insurance business;

(*ii*) all the funds in India appertaining to life insurance business, if it carries on some other class of insurance business also, but does not include any fund or portion thereof in respect of which the Authority is satisfied that such fund or portion thereof, as the case may be, is regulated by the law in force of any country outside India or in respect of which the Authority is satisfied that it would not be in the interest of the insurer to apply the provisions of this section;

(*iv*) "liabilities" means the net liabilities of the insurer to the holders of policies;

(*v*) "owned", in relation to a company, means the holding of more than fifty per cent. of its paid-up share capital by the promoters, and includes a subsidiary company of such a company; and

(*vi*) "promoter" means a person—

(*a*) who has been named as such in a prospectus inviting offers from the public for the subscription or purchase of any securities of an insurer, or is identified as such by the insurer in its annual returns filed with the person having the duty of registering companies;

(*b*) who has control over the affairs of the insurer, directly or indirectly whether as a shareholder, director or otherwise; or

(*c*) in accordance with whose advice, directions or instructions, the board of directors of the insurer is accustomed to act but shall not apply to a person who is acting merely in a professional capacity.'.

Omission of sections 27A, 27B, 27C and 27D.

21. Sections 27A, 27B, 27C and 27D of the principal Act shall be omitted.

Amendment of section 30.

22. In section 30 of the principal Act, the figures and letters "27A, 27B, 27C, 27D", occurring at both the places, shall be omitted.

Amendment of section 31.

23. In section 31 of the principal Act, in sub-section (*1*), for the word, brackets and figure "sub-section (*7*)", the word, brackets and figure "sub-section (*5*)" shall be substituted.

Amendment of section 31A.

24. In section 31A of the principal Act, in sub-section (*1*), for the portion beginning with "no insurer shall after expiry of one year" and ending with "in respect of the general insurance business of the insurer:", the following shall be substituted, namely:—

"no insurer shall, after expiry of one year from the date of commencement of the *Sabka Bima Sabki Raksha* (Amendment of Insurance Laws) Act, 2025, be directed or managed by a company or a firm or employ as manager or officer or in any capacity, any person whose remuneration or any part thereof is in the form of commission or bonus or a share in the valuation surplus:".

Substitution of new section for section 32A.

Prohibition of common officers and requirement as to whole-time officers.

25. For section 32A of the principal Act, the following section shall be substituted, namely:—

"32A. (*1*) A Director or officer of an insurer shall not be a Director or officer of any other insurer carrying on the same class of insurance business or of a Banking company or of an investment company.

(*2*) The Authority may, for such period, to such extent and subject to such conditions as may be specified by the regulations, exempt from the operation of this section, two or more such entities, for the purpose of facilitating their amalgamation or the transfer of business of one insurer to another.

(*3*) The provisions of sub-section (*1*) shall not apply to a Director nominated by the Central Government.".

Amendment of section 32B.

26. In section 32B of the principal Act, for the words "life insurance business and general insurance business", the words "insurance business" shall be substituted.

Amendment of section 32C.

27. In section 32C of the principal Act, for the words "life insurance or general insurance", the word "insurance" shall be substituted.

Amendment of section 33.

28. In section 33 of the principal Act, in sub-section (*6*), in clause (*a*), after the word "insurer", the words "or insurance intermediary" shall be inserted.

Amendment of section 33A.

29. In section 33A of the principal Act,—

(*i*) for the words "at it or he", the words "as it" shall be substituted;

(*ii*) after the word "insurers", the words "or insurance intermediaries" shall be inserted.

Amendment of section 34.

30. In section 34 of the principal Act, for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) Where the Authority is satisfied that it is necessary or expedient,—

(*a*) in the public interest;

(*b*) to prevent the affairs of an insurer or insurance intermediary being conducted in a manner detrimental to the interests of the policyholders or in a manner prejudicial to the interests of the insurer or insurance intermediary; or

(*c*) to secure the proper management of an insurer or insurance intermediary,

it may issue such directions as it deems fit, to insurer or insurance intermediary generally or in particular, including directions of disgorgement and such insurer or insurance intermediary shall comply with such directions:

Provided that no such directions shall be issued to any insurer or insurance intermediary in particular unless such insurer or insurance intermediary has been given an opportunity of being heard.

Explanation.—For the removal of doubts, it is hereby clarified that the power to issue directions under this section shall include and always be deemed to have included the power to direct any person, who made profit or averted loss by indulging in any transaction or activity in contravention of the provisions of this Act and the Insurance Regulatory and Development Authority Act, 1999 and rules or regulations made thereunder, to disgorge an amount equivalent to the wrongful gain made or loss averted by such contravention.".

41 of 1999.

Amendment of section 34A.

31. In section 34A of the principal Act, for sub-section (*2*), the following sub-section shall be substituted, namely:—

"(*2*) Nothing contained in sections 196, 197 and 203 of the Companies Act, 2013 shall apply to any matter in respect of which the approval of the Authority is to be obtained under sub-section (*1*).".

18 of 2013.

Amendment of section 34H.

32. In section 34H of the principal Act, in sub-section (*1*),—

(*i*) in clause (*a*), for the word, brackets and figure "sub-section (*2*)", the word, brackets and figure "sub-section (*3*)" shall be substituted;

(*ii*) in clause (*b*), for the word, brackets, figure and letter "sub-section (*1A*)", the word, brackets and figure "sub-section (*2*)" shall be substituted;

(*iii*) for clause (*c*), the following clause shall be substituted, namely:—

"(*c*) a contravention of any provision of this Act or the Insurance Regulatory and Development Authority Act, 1999 has been committed or is likely to be committed by an insurer or insurance intermediary; or"; 41 of 1999.

(*iv*) in clauses (*f*) and (*g*), after the word "insurer", occurring at both the places, the words "or insurance intermediary" shall be inserted.

Amendment of section 35.

33. In section 35 of the principal Act,—

(*a*) for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) Notwithstanding anything contained in any other law for the time being in force, no insurance business of an insurer or non-insurance business of any company, shall be transferred to or amalgamated with the insurance business of any other insurer except in accordance with a scheme prepared under this section and approved by the Authority, subject to the transferee insurer complying with the provisions of this Act at all times and any other conditions as may be specified by the regulations.";

(*b*) in sub-section (*3*),—

(*i*) in clause (*b*), for the words "insurance business of each of the insurers", the words "business of each of the entities" shall be substituted;

(*ii*) in clause (*c*), the word "life" shall be omitted;

(*iii*) in clause (*e*), after the words "was founded", the words "or any other document as may be required by the Authority" shall be inserted;

(*iv*) in the proviso,—

(*A*) for the word "insurer", the word "party" shall be substituted;

(*B*) for the words and figures "or sections 7 and 8 of the Indian Life Assurance Companies Act, 1912", the words "or any other applicable law" shall be substituted; 6 of 1912.

(*c*) after sub-section (*3*), the following sub-section shall be inserted, namely:—

"(*4*) Without prejudice to anything contained in sections 35, 36, 37, or 37A, the Authority may specify by regulations, the manner, procedure and other conditions for a scheme of arrangement or amalgamation or transfer of business for the purposes of this Act.".

Amendment of section 37.

34. In section 37 of the principal Act,—

(*a*) for the words "two or more insurers", the words "two or more entities" shall be substituted;

(*b*) in clause (*c*), in sub-clause (*i*), for the portion beginning with "insurance business of each of the insurer concerned" and ending with "Part-I of that Schedule", the words "business of each of the entities concerned in such amalgamation or transfer, prepared in accordance with the regulations" shall be substituted.

Amendment of section 37A.

35. In section 37A of the principal Act, in sub-section (*2*), in the second proviso, for the word "Controller", the word "Authority" shall be substituted.

Amendment of section 40.

36. In section 40 of the principal Act, after sub-section (*2*), the following sub-section shall be inserted, namely:—

"(*2A*) Without prejudice to anything contained in this section, the Authority may in the interest of the policyholders, specify by the regulations, the limits of any commission, remuneration or reward in any form payable to an insurance agent or an insurance intermediary, the manner of such payment, the manner of disclosures required and such other matters related to insurance agents or insurance intermediaries as may be necessary, for the purposes of this Act.".

Amendment of section 40B.

37. In section 40B of the principal Act, in the marginal heading, the word "life" shall be omitted.

Amendment of section 40C.

38. In section 40C of the principal Act, for the marginal heading, the following marginal heading shall be substituted, namely:—

"Furnishing details of expenses of management by insurer.".

Amendment of section 41.

39. In section 41 of the principal Act, in sub-section (*1*), in the proviso, for the words "a policy of life insurance taken out by himself on his own life", the words "a policy of any class of insurance business taken out by himself in relation to risks associated with his own life, health or property" shall be substituted.

Amendment of section 42D.

40. In section 42D of the principal Act,—

(*i*) after sub-section (*2*), the following sub-section shall be inserted, namely:—

"(*2A*) A person shall not begin to carry on or act as an insurance intermediary, unless he or it obtains a certificate of registration for the same from the Authority.";

(*ii*) for sub-sections (*3*) and (*4*), the following sub-sections shall be substituted, namely:—

"(*3*) Every application for registration as an insurance intermediary shall be in such form and manner and be accompanied by such documents and fee as may be specified by the regulations.

(*4*) No application for the renewal of a registration under this section shall be entertained, if the application does not reach the issuing authority before the registration ceases to remain in force:

Provided that the Authority may, if satisfied that undue hardship would be caused otherwise, accept any application on payment of late fee of seven hundred and fifty rupees.

(*4A*) A registration made under this section shall remain in force subject to payment of such annual fee as may be specified by the regulations, until such registration is suspended or cancelled by the Authority, in accordance with such procedure as may be specified by it and the conditions referred to in sub-section (*6*).";

(*iii*) for sub-sections (*6*), (*7*) and (*8*), the following sub-sections shall be substituted, namely:—

"(*6*) The Authority may suspend or cancel the registration of an insurance intermediary, if such insurance intermediary—

(*i*) contravenes any provision of this Act or the Insurance Regulatory and Development Authority Act, 1999 or the rules or regulations made thereunder or makes a default in complying with any direction issued or order made;

4 of 1999.

(*ii*) makes a default in complying with, or acts in contravention of, any requirement of the Companies Act, 2013 or the General Insurance Business (Nationalisation) Act, 1972 or the Life Insurance Corporation Act, 1956 or the Foreign Exchange Management Act, 1999 or the Prevention of Money-laundering Act, 2002;

18 of 2013.
5 of 1972.
3 of 1956.
42 of 1999.
15 of 2002.

(*iii*) is convicted for an offence under any law for the time being in force;

(*iv*) having its holding company or a joint venture partner having its principal place of business in a country outside India that has been debarred by law or practice of such country to carry on insurance intermediary business;

(*v*) fails to pay the annual fee required under sub-section (*4A*);

(*vi*) being a co-operative society set up under the respective State laws or, as the case may be, the Multi-State Co-operative Societies Act, 2002, contravenes the provisions of law as may be applicable to the insurance intermediary; 39 of 2002.

(*vii*) no longer meets the requirements or is disqualified as per sub-section (*5*); or

(*viii*) makes any other default or contravention, as may be specified by the regulations.

(*7*) The manner of suspension or cancellation of registration of an insurance intermediary shall be such as may be specified by the regulations.

(*8*) The Authority may issue a duplicate certificate of registration to replace a registration certificate which was lost, destroyed or mutilated, or in any other case where the Authority is of opinion that the issuance of duplicate certificate is necessary, it may issue the same on payment of such fee as may be specified by the regulations.";

(*iv*) sub-section (*9*) shall be omitted.

Amendment of section 47.

41. In section 47 of the principal Act, in sub-section (*1*),—

(*i*) for the words "life insurance maturing", the words "insurance due" shall be substituted;

(*ii*) for the words "title to the amount secured thereby or for any other adequate reason", the words "entitlement to receive the due payment" shall be substituted.

Amendment of section 48B.

42. In section 48B of the principal Act, in sub-section (*1*), for the words, brackets, letter and figures "sub-clause (*b*) of clause (*9*) of section 2", the words, brackets, letters and figures "clause (*ba*) of sub-section (*1*) of section 2C" shall be substituted.

Amendment of section 49.

43. In section 49 of the principal Act, in sub-section (*1*),—

(*i*) for the words and figures "business of life insurance or any other class or sub-class of insurance business to which section 13 applies", the words "insurance business" shall be substituted;

(*ii*) for the words "the fund of such other class", the words "the fund of the other class" shall be substituted;

(*iii*) for the words and figures "abstract referred to in section 15", the words and figures "report referred to in section 15" shall be substituted.

Amendment of section 51.

44. In section 51 of the principal Act, for the words "not exceeding one rupee", the words "of one rupee per page, subject to a maximum fee of two hundred and fifty rupees" shall be substituted.

Amendment of section 52A.

45. In section 52A of the principal Act,—

(*i*) for the marginal heading, the following marginal heading shall be substituted, namely:—

"When Board of Directors and the like, superseded and Administrator for management of insurance business may be appointed.";

(*ii*) for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) If at any time the Authority has reason to believe that an insurer carrying on insurance business is acting in a manner likely to be prejudicial to the interest of its policyholders, it may, for reasons to be recorded in writing and after giving the insurer an opportunity of being heard, by order in writing, supersede the Board of Directors or such other management or governing or executive committee of such insurer, and appoint an Administrator to manage the affairs of the insurer, under the direction and control of the Authority for such period not exceeding one year.

(*1A*) The Authority may, for reasons to be recorded in writing, extend the period referred to in sub-section (*1*) from time to time.".

Amendment of section 55.

46. In section 55 of the principal Act, in sub-section (*3*), for the word and figures "section 643", the word and figures "section 468" shall be substituted.

Amendment of section 61A.

47. In section 61A of the principal Act, after sub-section (*6*), the following sub-section shall be inserted, namely:—

"(*7*) Where the appeal filed before the National Company Law Appellate Tribunal under sub-section (*1*) is not disposed of within the said period of six months, the Appellate Tribunal shall record its reasons in writing therefor.".

Amendment of section 64.

48. In section 64 of the principal Act, for the words "on or before the last day of January in every calendar year", the words "within such time as may be determined by the Authority" shall be substituted.

Amendment of section 64F.

49. In section 64F of the principal Act,—

(*i*) in sub-section (*1*),—

(*a*) in clause (*a*), for the word "four", the word "seven" shall be substituted;

(*b*) in clause (*b*), for the words "an eminent person", the words "two eminent persons" shall be substituted;

(*c*) after clause (*c*), the following clause shall be inserted, namely:—

"(*ca*) two persons nominated by the Central Government;";

(*ii*) in sub-section (*2*),—

(*a*) in clause (*a*), for the word "four", the word "seven" shall be substituted;

(*b*) for clauses (*b*) and (*c*), the following clauses shall be substituted, namely:—

"(*b*) two eminent persons not connected with insurance business as may be nominated by the Authority;

(*c*) three representatives from among insurance agents, insurance intermediaries and policyholders as may be nominated by the Authority;

(*d*) one representative each from self-help groups and insurance co-operative societies as may be nominated by the Authority; and

(*e*) two persons nominated by the Central Government:".

Amendment of section 64G.

50. In section 64G of the principal Act, in sub-section (*1*), for the word "Chairman", the word "Chairperson" shall be substituted.

Amendment of section 64H.

51. In section 64H of the principal Act, in sub-section (*2*), for the words "General Council", the words "General Insurance Council" shall be substituted.

Amendment of section 64K.

52. In section 64K of the principal Act,—

(*i*) in sub-section (*1*), the words, brackets and figure "the proviso to sub-section (*2*) of" shall be omitted;

(*ii*) in sub-section (*4*), the words, brackets and figures "sub-sections (*1*) and (*2*) of" shall be omitted; and the words, brackets and figures "or, as the case may be, of sub-section (*2*) of section 16" shall be omitted.

Amendment of section 64L.

53. In section 64L of the principal Act,—

(*i*) in sub-section (*1*),—

(*a*) in clause (*a*), after the words "general insurance business", the words ", health insurance business and re-insurance business" shall be inserted;

(*b*) in clause (*c*), after the words "general insurance policies", the words ", health insurance policies and re-insurance policies" shall be inserted;

(*ii*) for sub-section (*2*), the following sub-section shall be substituted, namely:—

"(*2*) For the purpose of enabling it to effectively discharge its functions, the Executive Committee of the General Insurance Council may collect such fees as may be laid down in the bye-laws made by the General Insurance Council from the insurers carrying on general insurance business or health insurance business or re-insurance business.".

Amendment of section 64M.

54. In section 64M of the principal Act, in sub-section (*1*), the words, brackets and figure "the proviso to sub-section (*1*) of" shall be omitted.

Amendment of section 64R.

55. In section 64R of the principal Act, in sub-section (*1*), in clause (*b*), for the words "any prescribed fee", the words "fee, as laid down in the bye-laws made by the Life Insurance Council and General Insurance Council" shall be substituted.

Omission of section 64ULA.

56. Section 64ULA of the principal Act shall be omitted.

Amendment of section 64VB.

57. In section 64VB of the principal Act, in sub-section (*2*), in the *Explanation*,—

(*i*) after the word "post", the words "or by any online mode" shall be inserted;

(*ii*) after the word "posted", the words "or the money is received in insurer's bank account" shall be inserted.

Amendment of section 101A.

58. In section 101A of the principal Act, in sub-section (*1*), after the words "Indian re-insurers", the words "a minimum of" shall be inserted.

Substitution of new section for section 102.

59. For section 102 of the principal Act, the following section shall be substituted, namely:—

Penalty for default in complying with, or act in contravention of, this Act or Insurance Regulatory and Development Authority Act, 1999.

"102. If any insurer or insurance intermediary, who is required under this Act or the Insurance Regulatory and Development Authority Act, 1999, or rules or regulations made thereunder fails to,— 41 of 1999.

(*a*) furnish any document, statement, account, return or report to the Authority; or

(*b*) comply with the directions of the Authority; or

(*c*) maintain solvency margin; or

(*d*) comply with the directions on the insurance treaties,

he or it shall be liable to a penalty which shall be up to one lakh rupees for each day during which such failure continues subject to a maximum of ten crore rupees.

Amendment of section 104.

60. In section 104 of the principal Act,—

(*i*) in the marginal heading, the figures and letters ", 27A, 27B, 27D" shall be omitted;

(*ii*) the words, figures and letters ", section 27A, section 27B, section 27D" shall be omitted.

Insertion of new section 105BA.

61. After section 105B of the principal Act, the following section shall be inserted, namely:—

Penalty for contravention of section 42D.

"105BA. (*1*) If any person who acts as an insurance intermediary without being registered under section 42D to act as such, he shall be liable to penalty which shall not be less than one lakh rupees, but may extend to ten lakh rupees and any person who appoints as an insurance intermediary or any person not registered to act as such or transacts any insurance business in India through any such person, shall be liable to penalty which shall not be less than ten lakh rupees, but may extend to one crore rupees.

(*2*) Where the person contravening the provisions of sub-section (*1*) is a company or firm, then, without prejudice to any other proceedings which may be taken against the company or firm, every director, manager, secretary or other officer of the company and every partner of the firm, who is knowingly a party to such contravention shall be liable to penalty which shall not be less than one lakh rupees, but may extend to ten lakh rupees.".

Amendment of section 105C.

62. In section 105C of the principal Act, in sub-section (*1*), for the words, brackets, figures and letters "sub-sections (*8*) and (*9*) of section 42D, section 52F and section 105B", the words, figures and letters "section 52F, section 105B and section 105BA" shall be substituted.

Insertion of new section 105E.

63. After section 105D of the principal Act, the following section shall be inserted, namely:—

Factors to be taken into account before imposing penalty.

"105E. (*1*) While determining the penalty to be imposed under the provisions of this Act or the Insurance Regulatory and Development Authority Act, 1999 or rules or regulations made thereunder, the Authority shall have regard to the following factors, namely:—

41 of 1999.

(*a*) the nature, gravity and duration of the default;

(*b*) the repetitive nature of the default;

(*c*) the disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;

(*d*) the loss caused to the policyholders as a result of the default;

(*e*) the action taken by the person to mitigate the effects and consequences of the default, and the timeliness and effectiveness of such action;

(*f*) the number of policyholders impacted by such default;

(*g*) whether the penalty to be imposed is proportionate, having regard to the need to secure observance of and deter breach of the provisions of this Act, the Insurance Regulatory and Development Authority Act, 1999 and rules and regulations thereunder; and

41 of 1999.

(*h*) such other factors as may be deemed appropriate by the Authority:

Provided that before imposing any penalty, the person shall be given an opportunity of being heard.

(*2*) A brief of such penal action shall be disclosed in the form of press release on the website of the Authority within a period of thirty days.

(*3*) The manner and procedure for imposing penalties may be such as specified by the regulations.".

Amendment of section 106.

64. In section 106 of the principal Act,—

(*a*) in sub-section (*11*), for the word and figures "section 237", the word and figures "section 213" shall be substituted;

(*b*) sub-section (*12*) shall be omitted.

Amendment of section 110B.

65. In section 110B of the principal Act, the words, brackets and figures "under sub-section (*1*) of section 42" shall be omitted.

Substitution of new section for section 110F.

66. For section 110F of the principal Act, the following section shall be substituted, namely:—

Provisions applicable to State Governments, and the like.

"110F. Notwithstanding any exemption granted under section 118, the provisions of sections 3, 3A, 33, 34, clause (*a*) of section 34E, 34F, 40C, 44A, 64UM, 64V, 64VA, 64VB, 64VC, 101A, 101C and 110D, shall also apply, so far as may be, to and in relation to the general insurance business carried on by a State Government or a Government company as defined in clause (*45*) of section 2 of the Companies Act, 2013.". 18 of 2013.

Amendment of section 114.

67. In section 114 of the principal Act,—

(*i*) in sub-section (*2*),—

(*a*) for clause (*aaa*), the following clause shall be substituted, namely:—

"(*aaa*) the conditions and manner of foreign investment under section 3AA;";

(*b*) clauses (*d*), (*h*), (*i*), (*j*) and (*l*) shall be omitted;

(*ii*) sub-section (*4*) shall be omitted.

Amendment of section 114A.

68. In section 114A of the principal Act,—

(*a*) for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) The Authority may, by notification, make regulations consistent with the provisions of this Act and the rules made thereunder, to carry out the purposes of this Act and while making the regulations shall ensure transparency by—

(*a*) publishing draft regulations along with such other details on its website for inviting public comments for a specified period prior to issuing such regulations;

(*b*) publishing a general statement of its response to the public comments not later than the date of notification of the regulations; and

(*c*) periodically reviewing such regulations:

Provided that if the Authority is of the opinion that certain regulations are required to be made or existing regulations are to be amended urgently in the public interest or the subject matter of the regulation relates solely to the internal functioning of the Authority, it may dispense with the condition of publishing draft regulations and record the reasons for doing so:

Provided further that if the Authority considers to approve the regulations in a form substantially different from the proposed regulations other than changes made in consideration of comments received by it, it shall repeat the process mentioned in this sub-section.";

(*b*) in sub-section (*2*),—

(*i*) in clause (*f*), after the words "revenue account", the words "and other financial statements" shall be inserted;

(*ii*) after clause (*f*), the following clause shall be inserted, namely:—

"(*fa*) the eligibility criteria and other conditions for an Actuary under section 12A;";

(*iii*) for clause (*g*), the following clause shall be substituted, namely:—

"(*g*) the purpose for which and the manner in which the report of the Actuary to be submitted, and the form and manner in which the statement shall be appended, under section 13;";

(*iv*) after clause (*gb*), the following clause shall be inserted, namely:—

"(*gc*) the form, manner and period for submission of returns to the Authority under section 15;";

(*v*) for clause (*i*), the following clause shall be substituted, namely:—

"(*i*) the investment of assets by an insurer in a time, manner, limitations, conditions and restrictions under section 27;";

(*vi*) for clause (*ja*), the following clause shall be substituted, namely:—

"(*ja*) the form in which balance-sheets in respect of the insurance business of each of the insurers concerned and the manner in which actuarial reports and abstracts in respect of the insurance business are to be prepared under clauses (*b*) and (*c*) of sub-section (*3*) of section 35, and the manner, procedure and other conditions for a scheme of arrangement or amalgamation or transfer of business under sub-section (*4*) of section 35;";

(*vii*) for clause (*q*), the following clauses shall be substituted, namely:—

"(*q*) the form, manner of making application for registration, the documents to be accompanied and the fee payable under sub-section (*3*) of section 42D;

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(*qa*) any other default subject to which the registration may be suspended or cancelled under clause (*viii*) of sub-section (*6*) of section 42D;";

(*viii*) for clause (*r*), the following clause shall be substituted, namely:—

"(*r*) the annual fee in relation to registration under sub-section (*4A*) of section 42D and the procedure for suspension or cancellation of registration under the said sub-section;";

(*ix*) for clause (*v*), the following clause shall be substituted, namely:—

"(*v*) the fee for issuance of duplicate certificate of registration under sub-section (*8*) of section 42D;";

(*x*) after clause (*vb*), the following clause shall be inserted, namely:—

"(*vba*) the period, extent and conditions under which certain insurers may be exempted by the Authority under sub-section (*3*) of section 48B;";

(*xi*) after clause (*zba*), the following clause shall be inserted, namely:—

"(*zbb*) the fee for inspection of the documents filed by an insurer with the Authority and obtaining a copy of said document or part thereof under section 119;";

(*xii*) after clause (*zc*), the following clauses shall be inserted, namely:—

"(*zca*) the manner and conditions of making subsidiary instructions under section 114B;

(*zcb*) the manner of the constitution of Consultative Committees under section 114C;".

Insertion of new sections 114B and 114C.

69. After section 114A, the following sections shall be inserted, namely:—

Subsidiary instructions.

"114B. (*1*) The Chairperson or one or more whole-time Members of the Authority or both may issue subsidiary instructions in such manner and subject to such conditions as may be specified by the regulations for the following purposes, namely:—

(*a*) clarifying the ambiguity of any regulation, if any; and

(*b*) laying down any procedural requirement ancillary to any regulation:

Provided that before making such instructions, the concerned Consultative Committee constituted under section 114C shall be consulted:

Provided further that where subsidiary instructions are required to be made urgently, it may do so, without consulting the Consultative Committee after recording the reasons thereof.

(*2*) Any contravention of the subsidiary instructions shall amount to contravention of the regulation it relates to.

Consultative Committee.

114C. The Authority shall constitute Consultative Committees in such manner as may be specified by regulations, to advise it on—

(*a*) matters relating to the making of subsidiary instructions under section 114B; and

(*b*) any other issue as may be determined by it:

Provided that the advice of the Consultative Committee shall not be binding on the Authority.".

Omission of section 115.

70. Section 115 of the principal Act shall be omitted.

Substitution of new section for section 116.

71. For section 116 of the principal Act, the following section shall be substituted, namely:—

Power to exempt from certain requirements.

"116. (*1*) The Central Government may, by order published in the Official Gazette and for the reasons to be recorded in writing, exempt any insurer constituted, incorporated or domiciled in any country outside India from any of the provisions of this Act which may be specified in the order either absolutely or subject to such conditions or modifications as may be provided in such order.

(*2*) The order published under sub-section (*1*) shall be laid, as soon as after it is made, before each House of Parliament.".

Amendment of section 116A.

72. In section 116A of the principal Act, in the proviso, the words, brackets and figure "sub-section (*1*) of", the words, figures and letters "or section 28A or section 28B" and the words, brackets and figure "sub-section (*2*) of" shall be omitted.

Substitution of new section for section 117.

73. For section 117 of the principal Act, the following section shall be substituted, namely:—

Saving.

"117. Save as otherwise provided, nothing in this Act shall affect the liability of an insurer being a company to comply with the provisions of the Companies Act, 2013.".

18 of 2013.

Amendment of section 118.

74. In section 118 of the principal Act,—

(*i*) in clause (*c*), for the word and figures "section 617", the words, brackets and figures "clause (*45*) of section 2" shall be substituted;

(*ii*) in clause (*d*),—

(*a*) in sub-clause (*i*), for the words, brackets, letters and figures "clause (*a*) of section 58N of the Indian Income Tax Act, 1922", the words, brackets and figures "sub-section (*6*) of section (*2*) of the Income-tax Act, 1961" shall be substituted;

11 of 1922.

43 of 1961.

(*b*) in sub-clause (*ii*), for the words "dependents; or", the word "dependent;" shall be substituted;

(*c*) sub-clause (*iii*) shall be omitted.

Substitution of new section for section 119.

75. For section 119 of the principal Act, the following section shall be substituted, namely:—

Inspection and supply of copies of documents related to registration.

"119. Any person may, on payment of such fees as may be specified by the regulations,—

(*i*) inspect the documents filed by an insurer with the Authority under sub-section (*2*) of section 3; and

(*ii*) obtain a copy of any such document or part thereof.".

Omission of section 120.

76. Section 120 of the principal Act shall be omitted.

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CHAPTER III

AMENDMENTS TO THE LIFE INSURANCE CORPORATION ACT, 1956

Amendment of section 2.

77. In section 2 of the Life Insurance Corporation Act, 1956 (hereafter in this Chapter referred to as the Insurance Corporation Act),— 31 of 1956.

(*i*) in clause (*3*), sub-clause (*iii*) shall be omitted;

(*ii*) in clause (*6*), the words and figures "and a provident society as defined in section 65 of the Insurance Act" shall be omitted.

Amendment of section 6A.

78. In section 6A of the Insurance Corporation Act, in sub-section (*2*), for the words and figures "Companies Act, 1956", the words and figures "Companies Act, 2013" shall be substituted. 1 of 1956. 18 of 2013.

Amendment of section 18.

79. In section 18 of the Insurance Corporation Act, for sub-section (*2*), the following sub-section shall be substituted, namely:—

"(*2*) The Corporation shall establish zonal offices at Mumbai, Kolkata, Delhi, Kanpur and Chennai, and may establish such other zonal offices as it thinks fit.".

Amendment of section 22.

80. In section 22 of the Insurance Corporation Act, in sub-section (*3*), the words "in the prescribed manner" shall be omitted.

Amendment of section 24.

81. In section 24 of the Insurance Corporation Act, after sub-section (*2*), the following sub-section shall be inserted, namely:—

"(*3*) Where a branch or office of the Corporation is situated in a country outside India, the funds of such branch or office shall be maintained in accordance with the laws of that country.".

Amendment of section 28.

82. In section 28 of the Insurance Corporation Act, after sub-section (*3*), the following sub-section shall be inserted, namely:—

"(*4*) Where a branch or office of the Corporation is situated in a country outside India, the surplus in such branch or office shall be utilised in accordance with the laws of such country.".

Amendment of section 30A.

83. In section 30A of the Insurance Corporation Act, after the words and figures "Insurance Act, 1938", the words and figures ", as applicable to the Corporation by virtue of section 43 of the Life Insurance Corporation Act, 1956" 31 of 1956. shall be inserted.

Amendment of section 43.

84. In section 43 of the Insurance Corporation Act,—

(*a*) in sub-section (*1*), the figures and letter "47A" shall be omitted and for the figures, letter and word "110C, 119, 121, 122 and 123", the figures, letter and word "110C and 119" shall be substituted;

(*b*) in sub-section (*2*),—

(*i*) the figures and letters "28A", "40A" and "44" shall be omitted;

(*ii*) after the figures and letter "40B", the figures "42" shall be inserted; and

(*iii*) for the figures and word "107 to", the figures and word "108 to" shall be substituted;

(*c*) sub-section (*2A*) shall be omitted;

(*d*) in sub-section (*3*), after the words "the Insurance Act", the words "and the rules and regulations made thereunder" shall be inserted.

Amendment of section 44.

85. In section 44 of the Insurance Corporation Act, clause (*b*) shall be omitted.

Amendment of section 48.

86. In section 48 of the Insurance Corporation Act, in sub-section (*2*), clause (*h*) shall be omitted.

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CHAPTER IV

AMENDMENTS TO THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY ACT, 1999

Amendment of section 2.

87. In section 2 of the Insurance Regulatory and Development Authority Act, 1999 (hereafter in this Chapter referred to as the Insurance Authority Act), in sub-section (*1*), for clause (*f*), the following clause shall be substituted, namely:— 41 of 1999.

'(*f*) "insurance intermediary" shall have the same meaning as assigned to it in clause (*10B*) of section 2 of the Insurance Act, 1938;'. 4 of 1938.

Amendment of section 4.

88. In section 4 of the Insurance Authority Act, in the long line, after the words "accountancy, administration", the words ", information technology" shall be inserted.

Amendment of section 5.

89. In section 5 of the Insurance Authority Act, for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) The term of office of the Chairperson and other whole-time members shall be five years from the date on which they enter upon their office or till they attain the age of sixty-five years, whichever is earlier, and shall be eligible for reappointment.".

Amendment of section 14.

90. In section 14 of the Insurance Authority Act, in sub-section (*2*),—

(*i*) in clause (*i*), the words, figures and letter "not so controlled and regulated by the Tariff Advisory Committee under section 64U of the Insurance Act, 1938" shall be omitted; 4 of 1938.

(*ii*) for clause (*n*), the following clause shall be substituted, namely:—

"(*n*) imposing such penalty as specified in section 102 of the Insurance Act, 1938 and for any violation of the provisions of this Act or rules or regulations made thereunder;". 4 of 1938.

Insertion of new sections 14A to 14E.

91. After section 14 of the Insurance Authority Act, the following sections shall be inserted, namely:—

Power of Authority to collect policy information.

"14A. The Authority may, for the purpose of efficient discharge of its functions and to regulate and develop the insurance business—

(*a*) collect in such manner as it may think fit, information relating to policies and claims from any insurer or other regulated entities; and

(*b*) furnish such information to any insurer or other regulated entities in accordance with the provisions of section 14C.

Power to call for returns containing policy information.

14B. (*1*) For the purpose of enabling the Authority to discharge its functions under this Act and the Insurance Act, 1938, it may at any time direct any insurer or other regulated entities to submit statements relating to policies and policyholder related information in such form and within such time as may be specified by the regulations. 4 of 1938.

(*2*) Notwithstanding anything to the contrary contained in any law for the time being in force or in any instrument regulating the constitution thereof or in any agreement executed by it, relating to the secrecy of its dealings with its constituents, an insurer or other regulated entities shall comply with any direction issued under sub-section (*1*).

Procedure for furnishing policyholder and policy related information to insurer or other regulated entities.

14C. (*1*) The insurer may, in connection with any insurance policy issued or proposed to be issued by it, to any person, make an application to the Authority in such form as the Authority may specify by the regulations.

(*2*) The Authority shall process the application made under sub-section (*1*) within such period as may be specified by the regulations only after the insurer confirms to the Authority that the person has consented to provide access of his policy related information in accordance with the existing law and regulations framed in this regard including the preservation of evidence of such consent.

(*3*) On receipt of an application under sub-section (*1*), the Authority shall, as soon as may be, furnish the applicant with such policy related information as specified in the application, as may be in its possession:

Provided that the information so furnished shall not disclose the names of the insurer or other regulated entities that has submitted such information to the Authority.

(*4*) The Authority may in respect of each application levy such fees, as it may deem fit for furnishing such information.

Disclosure of information prohibited.

14D. (*1*) Any information contained in any statement submitted by an insurer or other regulated entities under section 14B or furnished by the Authority to any insurer or other regulated entities under section 14C, shall be treated as confidential and shall not, except for the specified intended purposes, be published or otherwise disclosed.

(*2*) Nothing in this section shall apply to—

(*a*) the disclosure by any insurer or other regulated entities, with the previous permission of the Authority, of any information furnished to the Authority under section 14B or 14C;

(*b*) the publication by the Authority, if it considers necessary in the public interest so to do, of any information collected by it under section 14B or 14C, in such consolidated form as it may think fit without disclosing the name of any insurer or other regulated entities or the policyholder;

(*c*) the disclosure or publication by the Authority or the insurer or other regulated entities of any policy related information to any other insurance company, intermediary or regulated entity as permitted by the Authority under the regulations to be issued from time to time.

(*3*) Notwithstanding anything contained in any law for the time being in force, no court, tribunal or other authority shall compel the Authority or any insurer or other regulated entities to produce or to give inspection of any statement submitted by that insurer or other regulated entities under section 14B or 14C or to disclose any policy related information furnished by the Authority to that insurer or other regulated entities under section 14C.

Power to authorise.

14E. The Authority may, for the efficient discharge of its functions under sections 14A to 14D, by a general or special order in writing, authorise any entity regulated by it or any other statutory body having similar objectives to perform such functions as specified in the said order.”.

Amendment of section 16.

92. In section 16 of the Insurance Authority Act,—

(*a*) in sub-section (*2*),—

(*i*) in clause (*b*), after the words “for the purposes of this Act”, the words and figures “and the Insurance Act, 1938” shall be inserted; 4 of 1938.

(*ii*) after clause (*b*), the following clause shall be inserted, namely:—

“(*c*) the capital expenditure, as per annual capital expenditure plan approved by the Authority.”;

(*b*) after sub-section (*2*), the following sub-sections shall be inserted, namely:—

'(*3*) The Authority shall constitute a Reserve Fund and twenty-five per cent. of the annual surplus of the Fund in any year shall be credited to such Reserve Fund and such fund shall not exceed the total of annual expenditure of preceding three financial years.

(*4*) After incurring all the expenses referred to in sub-section (*2*) and transfer to Reserve Fund as specified in sub-section (*3*), the surplus of the Fund shall be transferred to the Consolidated Fund of India.

Explanation.—For the purposes of this section, the expression "Reserve Fund" means a fund to hold the surplus of the Fund, in the form and manner specified in sub-section (*3*) of section 16.'.

Insertion of new section 16A.

93. After section 16 of the Insurance Authority Act, the following section shall be inserted, namely:—

Constitution of Policyholders' Education and Protection Fund.

"16A. (*1*) The Authority shall constitute a fund to be called the Policyholders' Education and Protection Fund.

(*2*) There shall be credited to the Policyholders' Education and Protection Fund the following amounts, namely:—

(*a*) any grants and donations given to the Policyholders' Education and Protection Fund by the Central Government, State Governments, the Authority, companies or any other institutions for the purposes of the Policyholders' Education and Protection Fund;

4 of 1938.

(*b*) the sums realised by way of penalties by the Authority under this Act or the Insurance Act, 1938 or rules and regulations thereunder; and

(*c*) such other sums as may be specified by the regulations.

(*3*) The Policyholders' Education and Protection Fund shall be administered and utilised by the Authority for education of policyholders and protection of the interests of policyholders in the manner and for such other purposes as may be specified by the regulations.".

Amendment of section 23.

94. In section 23 of the Insurance Authority Act, for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) The Authority may, for the efficient discharge of its functions under this Act, by a general or special order in writing by notification, delegate to the Chairperson or any other member or any officer of the Authority, subject to such conditions or restrictions, if any, as may be specified in the order, such of its powers and functions under this Act, except the power to make regulations and the power to register an insurer, as it may deem necessary or expedient.".

Amendment of section 26.

95. In section 26 of the Insurance Authority Act, for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) The Authority may, in consultation with the Insurance Advisory Committee, by notification make regulations consistent with the provisions of this Act and the rules made thereunder, to carry out the purposes of this Act and while making the regulations shall ensure transparency by—

(*a*) publishing draft regulations along with such other details as may be specified on its website and inviting public comments for a specified period prior to issuing such regulations;

(*b*) publishing a general statement of its response to the public comments, not later than the date of notification of the regulations; and

(*c*) periodically reviewing such regulations:

Provided that if the Authority is of the opinion that certain regulations are required to be made or existing regulations to be amended urgently in the public interest or the subject matter of the regulation relates solely to the internal functioning of the Authority, it may dispense with the condition of publishing draft regulations and record the reason for doing so:

Provided further that if the Authority decides to approve regulations in a form substantially different from the proposed regulations other than changes made in consideration of comments received by it, it shall repeat the process mentioned in this sub-section.".

———

DR. RAJIV MANI,
Secretary to the Govt. of India.

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