Reserve Bank of India
Foreign Exchange Department
Central Office
Mumbai 400 001

Notification No. FEMA. 12(R)/2015-RB **December 29, 2015**

Foreign Exchange Management (Insurance) Regulations, 2015

In exercise of the powers conferred by sub-section (2) of Section 47 of the Foreign Exchange Management Act, 1999, (42 of 1999), and in super cession of its Notification No.FEMA.12/2000-RB, dated May 3, 2000, as amended from time to time, the Reserve Bank of India makes the following Regulations with respect to the holding by a person resident in India of a general or life insurance policy issued by an insurer outside India, namely:

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1. Short Title and Commencement:

(i) These Regulations may be called the Foreign Exchange Management (Insurance) Regulations, 2015.

(ii) They shall come into force from the date of their publication in the Official Gazette.

2. Definitions:

In these Regulations, unless the context otherwise requires,-

(i) 'Act' means the Foreign Exchange Management Act, 1999 (42 of 1999);

(ii) The words and expressions used but not defined in these Regulations shall have the same meaning respectively assigned to them in the Act.

3. Permission to take or hold a general insurance policy issued by an insurer outside India

(i) A person resident in India may take or continue to hold a health insurance policy issued by an insurer outside India provided aggregate remittance including amount of premium does not exceed limit prescribed under the Liberalised Remittance Scheme.

(ii) No person shall take out or renew any policy of insurance in respect of any property in India or any ship or other vessel or aircraft registered in India with an insurer whose principal place of business is outside India without permission of Insurance Regulatory and Development Authority of India (IRDA).

(iii) A person resident in India may take or continue to hold a general insurance policy other than referred in (i) and (ii) above, issued by an insurer outside India, provided that, the policy is held, under a specific or general permission of the Central Government.

(iv) A person resident in India may continue to hold any general insurance policy issued by an insurer outside India when such person was resident outside India.

Provided further that where the premium due on a general insurance policy has been paid by making remittance from India, the policy holder shall repatriate to India through normal banking channels, the maturity proceeds or amount of any claim due on the policy, within a period of seven days from the receipt thereof.

4. Permission to take or hold a life insurance policy issued by an insurer outside India

(i) A person resident in India may take or continue to hold a life insurance policy issued by an insurer outside India, provided that, the policy is held, under a specific or general permission of the Reserve Bank of India.

(ii) A person resident in India may continue to hold any life insurance policy issued by an insurer outside India when such person was resident outside India.

Provided further that where the premium due on a life insurance policy has been paid by making remittance from India, the policy holder shall repatriate to India through normal banking channels, the maturity proceeds or amount of any claim due on the policy, within a period of seven days from the receipt thereof.

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(B P Kanungo)
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