

**To:** The Honorable Smt. Nirmala Sitharaman  
Minister of Finance and Corporate Affairs  
Government of India  
Kartavya Bhawan-1, New Delhi

**Date:** 27 January 2026

Dear Honorable Minister, Sitharaman,

On behalf of the Global Federation of Insurance Associations (GFIA), we would like to congratulate the Government of India on the passage of the Insurance Act Amendments. This historic event reflects the Government of India's strong commitment to deepening financial inclusion through insurance, strengthening consumer protection, and fostering a modern, competitive insurance market that can meet the needs of India's households and businesses.

The Act's reforms - particularly the provisions enabling greater foreign participation by increasing ownership limits from 74 percent to 100 percent - will help bring more long-term capital, product innovation, and risk management expertise to India's insurance sector. These changes support India's wider policy goals, including 'Insurance for All 2047,' the expansion of protection coverage, accelerating digital adoption, and creating long term investment through retirement savings and risk protection to invest in always needed infrastructure.

As partners to India's growth story, global insurers and reinsurers are encouraged by the opportunities this framework creates for insurers to serve customers better and contribute to India's broader economic objectives. We look forward to working with the Insurance Regulatory Development Authority of India (IRDAI) Chairman Ajay Seth on the implementation of these sweeping changes.

The passage of Insurance Act Amendments, further opening India's insurance market, is a significant achievement for India and its vast population. The passage of the act and its entry into force proves the commitment of the Government of India to fulfil its growth and social protection goals. The changes will enable further investment into the sector, encourage new investment, and provides IRDAI with new authority to better protect Indian consumers and financial stability.

We support the Government's ambition of "Insurance for All by 2047" and efforts to further strengthen India's position as a premier destination for responsible, long-term investment. To this end, the lack of parity in corporate taxes between domestic insurers/reinsurers and foreign insurer/reinsurers, who are classified as "non-residents" under income tax rules, should be addressed in a next step. Foreign companies are paying a corporate tax of around 35% plus surcharge and education cess, compared to 25% (respectively 30% for larger corporations) plus surcharge and cess for domestic insurers and reinsurers. Tax parity would be another opportunity to level the playing field for foreign investors in India's insurance sector.



We have great respect for IRDAI and welcome the opportunity to engage constructively with the Ministry of Finance and IRDAI. We would welcome the chance to participate in technical workshops, provide comparative analyses, and offer data to support implementation of the Act and any subsequent rules.

Our shared objective is clear: a strong, innovative insurance sector that delivers high-quality protection and retirement security to India's consumers, while mobilizing long-term capital for sustainable growth.

Thank you again for your leadership and dedication to India's insurance sector reforms. We look forward to working closely with the Ministry of Finance and IRDAI to develop, grow and strengthen India's insurance sector.

Sincerely,

Brad Smith

*Chair of the GFIA Trade Working Group*

#### Contacts

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#### About GFIA

The Global Federation of Insurance Associations (GFIA), established in October 2012, represents through its 43 member associations and 3 observer associations the interests of insurers and reinsurers in 69 countries. These companies account for 89% of total insurance premiums worldwide, amounting to more than \$4 trillion. GFIA is incorporated in Switzerland and its secretariat is based in Brussels.