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# 100% FDI can attract ₹10-lakh-crore capital: Bajaj General Insurance chief

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## BAJAJ GENERAL INSURANCE

Managing Director and CEO Tapan Singhel has sought a complete opening up of the general insurance sector, advocating for 100% foreign direct investment (FDI) to enhance penetration, which currently remains at a low single-digit in terms of percentage.

“Implementing a 100% FDI policy will attract new investments and expand the general insurance industry. Globally, there are approximately 10,000 general insurance companies, yet only about 70 operate in India. If just 10% of these global firms enter the Indian market, it could lead to FDI of ₹10 lakh crore and creation of 25 million jobs,” Singhel, who is also the chairman of the General Insurance Council, said.

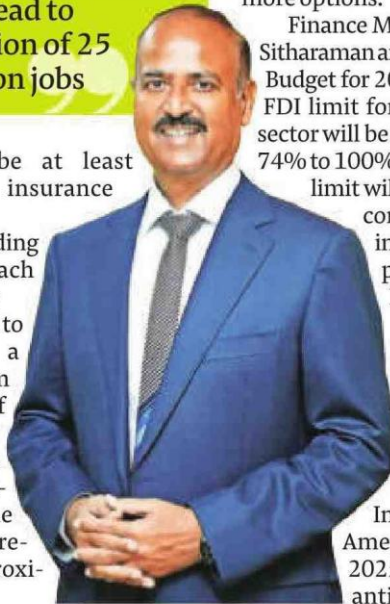
The US has around 6,000 insurance firms, Latin America has 1,000, the UK has 1,000, and Singapore has 250. Considering the size of the Indian market, Singhel believes there

**TAPAN SINGHEL,**  
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**If just 10% of the 10,000 global insurance firms enter the Indian market, it could also lead to creation of 25 million jobs**

should be at least 1,000 insurance firms.

According to him, each company will need to invest a minimum capital of ₹1,000 crore. On an average, one insurer creates approximately



25,000 direct and indirect jobs. This approach addresses the nation’s need for capital and job creation. “More players in the market will lead to its expansion, and there is ample room for additional companies in India,” Singhel said. He noted that increased competition would benefit customers by providing better prices and more options.

Finance Minister Nirmala Sitharaman announced in the Budget for 2025-26 that the FDI limit for the insurance sector will be increased from 74% to 100%. This enhanced limit will be available to companies that invest their entire premium in India.

The finance ministry has released a draft of the Indian Insurance Companies (Foreign Investment) Amendment Rules, 2025. The industry is anticipating the

introduction of the Insurance Laws (Amendment) Bill in the ongoing winter session of Parliament, which aims to allow for 100% FDI.

According to Grand Thornton Bharat, allowing 100% FDI in the insurance sector could attract significant capital, global expertise, and innovative practices, all of which are crucial for a capital-intensive industry like insurance. “Domestic players often face challenges in scaling up operations or forming partnerships with banks and brokers due to their inability to deliver an exceptional customer experience. By collaborating with foreign entities, they could enhance their capabilities, creating a more level playing field in the insurance market,” the firm said.

The infusion of global strengths, including advanced technological and data capabilities, effective distribution strategies proven in mature markets, and refined risk management practices, can greatly benefit the Indian insurance sector, the report said.