

# Insurance 2.0 | Insurance reforms to commence from 5 February 2026

4 February 2026

## Commencement date of 5 February 2026

The Government of India has notified 5 February 2026 as the commencement date for the Sabka Bima Sabki Raksha (Insurance for All, Protection for All) (Amendment of Insurance Laws) Act, 2025 (Amendment Act), including 100% foreign investment in Indian insurers.

## Section 32A kept in abeyance

Notably, the Government has kept the amendments to Section 32A of the Insurance Act, 1938 in abeyance, and these will not take effect on the commencement date.

- Section 32A, as amended, would have restricted common directorships/officer roles between an insurer and: (i) another insurer carrying on the same class of insurance business; (ii) a bank; or (iii) an investment company.
- Prior to the Amendment Act, the restriction was narrower and only prevented the managing director or an officer of a life insurer from acting as the managing director or an officer of another life insurer, a bank or an investment company.
- The proposed expansion of Section 32A had triggered significant concern across the industry, particularly for bank-promoted insurers, given its potential impact on board composition and governance. The decision to defer amendments to Section 32A maintains the *status quo* described above and is a welcome course-correction.

## Background

Our detailed coverage of: (i) the Amendment Act is available [here](#); and (ii) the Ministry of Finance's operational rules for 100% foreign investment in Indian insurers is available [here](#).

## Next steps

With the commencement notification and the operational rules in place, the remaining step for full operationalisation of 100% foreign investment in Indian insurers is the corresponding amendments to India's exchange control framework. We expect the necessary changes to follow shortly.

- Aravind Venugopal (Partner) and Amrutha Alapati (Associate)



## About Khaitan & Co

Khaitan & Co is a top tier and full-service law firm with over 1300+ legal professionals, including 300+ leaders and presence in India and Singapore. With more than a century of experience in practicing law, we offer end-to-end legal solutions in diverse practice areas to our clients across the world. We have a team of highly motivated and dynamic professionals delivering outstanding client service and expert legal advice across a wide gamut of sectors and industries.

To know more, visit [www.khaitanco.com](http://www.khaitanco.com)



This document has been created for informational purposes only. Neither Khaitan & Co nor any of its partners, associates or allied professionals shall be liable for any interpretation or accuracy of the information contained herein, including any errors or incompleteness. This document is intended for non-commercial use and for the general consumption of the reader, and should not be considered as legal advice or legal opinion of any form and may not be relied upon by any person for such purpose. It may not be quoted or referred to in any public document, or shown to, or filed with any government authority, agency or other official body.

[www.khaitanco.com](http://www.khaitanco.com) | © Khaitan & Co 2026 | All Rights Reserved.

Ahmedabad · Bengaluru · Chennai · Delhi-NCR · Kolkata · Mumbai · Pune · Singapore