
Mains Topics

New Insurance Bill, 2025

Context

The Insurance Laws (Amendment) Bill, 2025 modernises India's insurance sector through FDI liberalisation and stronger regulation but misses critical structural reforms needed for deeper penetration, innovation and inclusive growth.

Key Provisions of the Insurance Laws (Amendment) Bill, 2025

- **100% Foreign Direct Investment (FDI):** The Bill raises the FDI limit in insurance companies from 74% to 100% to attract global capital, technology, and best practices.
- **Reinsurance Entry Liberalisation:** It reduces the Net Owned Fund requirement for foreign reinsurers from ₹5,000 crore to ₹1,000 crore to broaden competition in the reinsurance market.
- **Enhanced Powers for IRDAI:** The Bill empowers IRDAI to disgorge wrongful gains and impose rational penalties to strengthen policyholder protection and regulatory enforcement.
- **Simplified Intermediary Registration:** It introduces a one-time registration system for insurance intermediaries to reduce compliance costs and regulatory duplication.
- **Relaxed Share Transfer Norms:** The approval threshold for transfer of paid-up equity capital is increased from 1% to 5% to ease ownership restructuring.
- **Transparent Rule-Making Process:** A statutory Standard Operating Procedure for regulation-making is introduced to ensure predictability and accountability in regulatory governance.
- **Greater Operational Autonomy for LIC:** The Bill allows LIC to establish zonal offices and restructure overseas operations without prior government approval to improve agility and efficiency.

Likely Impact of the Insurance Bill, 2025

- **Increased Capital Inflows:** Full FDI liberalisation is expected to bring sustained foreign investment into India's insurance sector.
- **Improved Market Competition:** The entry of global insurers and reinsurers will intensify competition and improve product quality and pricing.
- **Technological Upgradation:** Foreign participation will accelerate adoption of advanced underwriting, claims management and risk-assessment technologies.
- **Expansion of Insurance Penetration:** Greater capital and efficiency can help expand insurance coverage in underserved and high-risk segments.
- **Stronger Consumer Protection:** Enhanced enforcement powers of IRDAI will improve transparency, compliance and policyholder confidence.
- **Better Global Integration:** The reforms align India's insurance ecosystem with international regulatory and operational standards.

What are the Major Provisions Missing in the Bill?

- **Absence of Composite Licence:** No provision allowing insurers to operate across **life, health and general insurance** under one entity.
 - Continues rigid segmentation under the Insurance Act, 1938.
 - Missed opportunity for **integrated, bundled insurance products** and customer convenience.
- **No Reduction in Minimum Capital Requirements:** Retains **₹100 crore (insurers)** and **₹200 crore (reinsurers)** minimum capital norms.
 - Limits entry of **niche, regional, health-only or micro-insurance players**.
 - Slows expansion into rural, informal and low-income segments.
- **No Permission for Captive Insurance Companies:** Does not allow large corporates to set up **captive insurers**.
 - Misses chance to modernise enterprise risk management.
 - India remains behind global risk-financing practices.
- **Limited Agent & Distribution Reforms:** Continues restriction on **individual agents selling policies of multiple insurers**.
 - Reduces competition, choice and last-mile penetration.
- **Other Diluted or Excluded Proposals:** No permission for insurers to distribute **mutual funds, loans or credit products**.
 - Limited flexibility in **investment norms** despite market volatility.
 - Fewer new revenue streams for insurers.

Source: [Indian Express](#)

Lok Adalats in India

Context

Lok Adalats embody a people-centric justice delivery system that combines legal finality with conciliation, making justice accessible, affordable, and humane while significantly reducing the burden on courts.

What are Lok Adalats?

- Lok Adalats are **people-centric alternative dispute resolution forums** that settle disputes through **conciliation and mutual consent**, rather than adversarial litigation.
- They aim to provide **speedy, cost-free and accessible justice**, especially to ordinary citizens.
- Lok Adalats function under the **Legal Services Authorities Act, 1987**, and their awards have the **same legal status as a civil court decree**.
- They focus on **settlement, compromise and consensus**, not on determining winners and losers.
- **Key Features of Lok Adalats:**
 - **Statutory backing** under the Legal Services Authorities Act, 1987, ensuring legal validity and enforceability.
 - **No court fee** is payable; any court fee already paid is refunded upon settlement.
 - **Informal and non-adversarial proceedings**, free from complex procedures and technical rules of evidence.
 - **Conciliatory approach**, where judges and members act as facilitators rather than adjudicators.
 - **Final and binding award**, deemed to be a decree of a civil court.
 - **No appeal lies** against a Lok Adalat award, ensuring quick finality.
 - **Applicability to pre-litigation and pending cases**, enabling early dispute resolution.
 - **Inclusion of E-Lok Adalats**, allowing virtual participation and wider access.
- **Jurisdiction of Lok Adalats:**
 - **Subject-Matter Jurisdiction:**
 - **Civil disputes**, including property, land, money and contractual matters.
 - **Compoundable criminal offences**.
 - **Motor accident compensation claims**.
 - **Family disputes**, including matrimonial and maintenance cases.
 - **Bank recovery and financial disputes**.
 - **Public utility service disputes** (through Permanent Lok Adalats).
 - **Case-Type Jurisdiction:**
 - **Pending cases** before courts, referred with consent or when settlement is feasible.
 - **Pre-litigation disputes**, referred directly before filing a case in court.
- **Pecuniary Jurisdiction (Permanent Lok Adalats):** Disputes relating to **public utility services up to ₹1 crore**.

Institutional Structure of Lok Adalats

Lok Adalats operate through a **four-tier institutional framework** under the Legal Services Authorities system:

- **National Level: National Legal Services Authority (NALSA):** Headed by the **Chief Justice of India**
 - **Functions:** Policy formulation, national Lok Adalat calendar, monitoring and coordination
- **State Level: State Legal Services Authority (SLSA):** Headed by the **Chief Justice of the High Court**
 - **Functions:** Implementation of NALSA policies, organisation of Lok Adalats including High Court matters.
- **District Level: District Legal Services Authority (DLSA):** Headed by the **District & Sessions Judge**
 - **Functions:** District-level Lok Adalats, coordination with Taluk committees, legal aid delivery.
- **Taluk Level: Taluk Legal Services Committees (TLSCs):** Headed by the **senior-most judicial officer**
 - **Functions:** Grassroots access, first point of legal aid and dispute resolution.
- **Permanent Lok Adalats (PLAs):** Established under **Sections 22B–22E** of the Legal Services Authorities Act, 1987.
 - Deal exclusively with **public utility services** such as transport, electricity, water, telecom and postal services.
 - **Permanent bodies** with continuous jurisdiction.
 - Can **decide disputes on merits** if conciliation fails.
 - **Award is final and binding**, ensuring certainty and closure.

Significance of Lok Adalats

Aspect	Significance
Speed of Justice	Over 2.42 crore cases resolved in a single National Lok Adalat (2025)
Court Backlog Reduction	55+ lakh backlog cases resolved in Chhattisgarh Lok Adalat
High Participation	E-Lok Adalats have taken up 902+ lakh cases since inception
Cost Savings	No court fee burden on litigants; refunded if previously paid
Broad Coverage of Issues	Traffic, bank, civil, matrimonial, consumer, MPC cases resolved across states

Challenges Associated with Lok Adalats

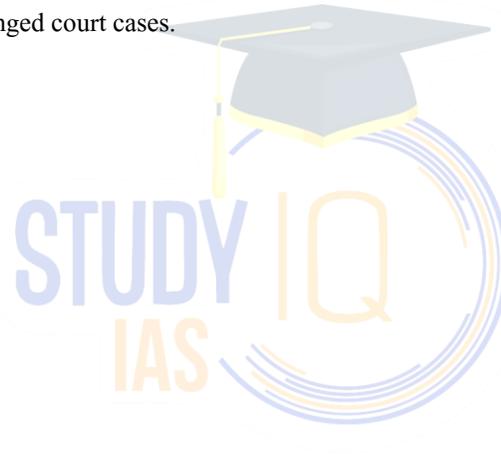
- **Restricted jurisdiction** limits Lok Adalats to civil and compoundable criminal cases, excluding serious criminal, constitutional and complex commercial disputes.
- **Concerns over genuine consent** arise when settlements are rushed or shaped by socio-economic power imbalances between parties.
- **Low public awareness** about Lok Adalats, their procedures and binding nature leads to under-utilisation of this dispute resolution mechanism.

- **Inconsistent quality of outcomes** results from variations in conciliator expertise, institutional capacity and local practices across regions.
- **Infrastructure and manpower constraints** during large-scale Lok Adalats strain judicial resources and affect operational efficiency.

Way Forward

- **Enhance legal awareness** through sustained legal literacy drives and effective deployment of para-legal volunteers for early dispute resolution.
- **Strengthen procedural safeguards** by mandating free, informed and voluntary consent, particularly for vulnerable groups.
- **Invest in capacity building** via regular training of judges, conciliators and legal services personnel to improve fairness and consistency.
- **Leverage technology effectively** by expanding E-Lok Adalats and integrating outcomes with the National Judicial Data Grid for better monitoring.
- **Reinforce Permanent Lok Adalats** to address public utility service disputes at the pre-litigation stage and prevent escalation into prolonged court cases.

Source: [PIB](#)



Today's Prelims Topics

New Ramsar Sites

Context

Siliserh Lake in Rajasthan and Kopra Jalashay in Chhattisgarh have recently been designated as Ramsar Sites.

About Siliserh Lake, Rajasthan

- **Located in:** Alwar district, Rajasthan.
- **Key Features:**
 - It is a **man-made lake and wetland** constructed in **1845 by Maharaja Vinay Singh of Alwar**.
 - Falls within the **buffer zone of the Sariska Tiger Reserve**.
 - It is in a **semi-arid zone**.
 - Supports **149 bird species and 17 mammal species**.
 - **Notable fauna include:** Vulnerable River Tern (*Sterna aurantia*), Black Stork (*Ciconia nigra*) with over 1% of its biogeographic population.

About Kopra Jalashay, Chhattisgarh

- **Location:** Bilaspur, Chhattisgarh.
- **Key Features:**
 - Characterised by a **large open water spread** with **shallow, nutrient-rich backwaters**.
 - It is **Chhattisgarh's First Ramsar Site**.
 - Supports **over 60 migratory bird species** used for nesting, feeding and stop-over.
 - **Notable species include:** Vulnerable Greater Spotted Eagle (*Aquila clanga*), Endangered Egyptian Vulture (*Neophron percnopterus*).

Source: [Hindustan times](#)

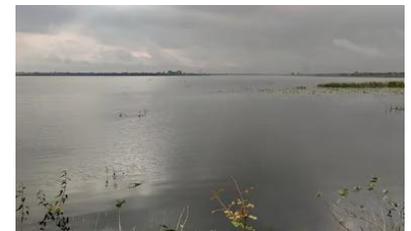
Pax Silica Initiative

Context

A new US-led strategic initiative, Pax Silica, does not include India.

About Pax Silica Initiative

- **Pax Silica** is a **US-led strategic initiative** aimed at building a **secure, resilient and innovation-driven global silicon and semiconductor supply chain**.
- It focuses on the entire **AI-enabling technology ecosystem**, from **critical minerals** to **advanced chips, software and platforms**.
- **Participating Countries:** Japan, South Korea, Singapore, Netherlands, United Kingdom, Israel, United Arab Emirates, Australia.
- **Objectives:**
 - **Reduce coercive dependencies** in critical technologies and semiconductor supply chains.
 - **Protect strategic materials and capabilities** essential for artificial intelligence and advanced computing.
 - Enable **trusted and aligned nations** to **develop, scale and deploy transformative technologies**.
 - Strengthen **economic security** in the era of AI and digital geopolitics.



Source: [Indian Express](#)

CoalSETU policy

Context

The Cabinet Committee on Economic Affairs (CCEA), chaired by the Prime Minister, has approved the CoalSETU policy.

About CoalSETU Policy (Policy for Auction of Coal Linkage for Seamless, Efficient & Transparent Utilisation)

- It is a **new auction-based mechanism under NRS Coal Linkage Policy, 2016** for allocating **long-term coal linkages for diverse industrial uses and exports**.
- It aims to ensure **fair access, flexibility and optimal utilisation** of coal resources.
- **Key Features of the Policy:**
 - **Auction-based allocation** of coal linkages for long-term supply under the NRS framework.
 - **Any domestic buyer** requiring coal can participate in the auction, **irrespective of end use**.
 - Coal linkages can be used for own industrial consumption, export of coal, other purposes such as **coal washing, resale within India is not permitted**.
 - Linkage holders are allowed to **export up to 50% of the allocated coal quantity**.
 - Provides **flexibility to utilise coal across group companies**, improving operational efficiency.

Source: [Newsonair](#)

Preah Vihear Temple

Context

India calls for protection of Preah Vihear Temple.

About Preah Vihear Temple

- A Hindu temple located in the Dangrek Mountains (Northern Cambodia).
- **Dedicated to Lord Shiva.**
- Constructed during the **Khmer Empire's golden era (11th–12th century)**.
- Initially built by **King Suryavarman I (1002–1050)** and later expanded by **Suryavarman II (1113–1150)**.
- Recognized as a UNESCO World Heritage Site.
- **Architectural Features:**
 - A prime example of classical Khmer temple architecture.
 - Built along an 800-metre-long north–south axis with a series of sanctuaries.
 - Comprises more than five gopuras (entrance towers), connected by long pavements and staircases.
 - Unique for its multi-tiered platforms and gopuras connected by a central path.
 - Some gopuras have stone roofs; others originally had wooden roofs, many now in ruins.



Source: [Newsonair](#)

Species in News

Tapanuli Orangutan



News? Scientists warn Cyclone Senyar may have pushed Tapanuli orangutan closer to extinction.

About Tapanuli Orangutan

- **Distribution:** Endemic to Indonesia, found only in the **Batang Toru** ecosystem of North Sumatra.
- **Characteristics:**
 - Genetically and morphologically distinct from **Sumatran** and **Bornean** orangutans.
 - Males have **smaller heads and flatter cheek pads**, with a **distinct vocal call**.
 - Highly **arboreal** and largely **solitary** in behaviour.
 - It was **scientifically described in 2017**, making it the **newest identified great ape species**.
- **Conservation Status:**
 - **IUCN Red List:** Critically Endangered
 - Listed under **CITES Appendix I**.

Source: [DTE](#)