

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 780

ANSWERED ON – 7.2.2022

MERGER OF GENERAL INSURANCE COMPANIES

780. SHRI SUBBARAYAN K.:

Will the Minister of FINANCE be pleased to state:

- (a) whether in the budget proposals of 2018 it was announced to merge the three public sector general insurance companies- The Oriental Insurance Co. Ltd, National Insurance Co. Ltd and United India Insurance Co. Ltd;
- (b) if so, the details thereof and the decision taken thereon;
- (c) whether it is a fact that the employees of the general insurance sector are demanding the merger of all the four public sector general insurance companies for the better functioning of this sector; and
- (d) if so, the details thereof and the Government's reaction thereto?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR. BHAGWAT KARAD)

(a) to (d): From time to time, associations of employees of public sector general insurance companies submit their demands of their employees and suggestions for strengthening them. The suggestions received have included suggestions in respect of merger of these companies.

The speech of the Finance Minister on the budget for the financial year 2018-2019 announced the Government's intent to merge three public sector general insurance companies, viz., National Insurance Company Limited, United India Insurance Company Limited and Oriental Insurance Company Limited.

Against the above background and upon further consideration of the matter, Government subsequently decided to infuse capital, focus on their growth and not to proceed with merger.
