

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA
UNSTARRED QUESTION NO. 950**

ANSWERED ON – 29.07.2024

CAPITAL INFUSION BY GOVERNMENT IN INSURANCE COMPANIES

950 SHRI BALASHOWRY VALLABHANENI:

Will the Minister of FINANCE be pleased to state:

- (a) the details of National Insurance Companies that are going to get capital infusion by the Government of India;
- (b) the reasons that Oriental, National and United India Insurance Companies are not able to compete with their counterparts in private sector;
- (c) whether it is true that GOI has provided Rs. 2,500 in 2019-20; Rs. 9,950 crores in 2020-21 and Rs. 5,000 crores in 2021-22 respectively to Oriental, National and United India Insurance Company;
- (d) the reasons for such huge infusion year-after-year; and
- (e) whether the Government is planning to see that they get into profit mode and if so, the details there of;

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (e): - IRDAI recommended infusion of capital in three PSGIC namely, National Insurance Company Limited, Oriental Insurance Company Limited and United India Insurance Company Limited to restore the solvency to control level. Accordingly, capital was infused by GOI to improve their financial and solvency position, as per the following details:

(Rs. In crores)

Financial Year	NICL	OICL	UIICL	Total
2019-20	2,400	50	50	2,500
2020-21	3,175	3,170	3,605	9,950
2021-22	3,700	1,200	100	5,000
	9,275	4,420	3,755	17,450

Companies have undertaken various steps for improving their profitability which *inter alia* included adopting Key Performance Indicators (KPIs) for company and employees, enhancing their IT capabilities, launching new products, setting up centralized hubs for underwriting and claims etc.. As a result of such measures, the financial position of these companies has begun to improve.

The combined profit of four Public Sector General Insurance (PSGI) companies, Agricultural Insurance Company and GIC Re is Rs.7558 crores for FY 2023-24 as compared to a loss of Rs.3529 crores (approximately) for the financial year 2022-23.

Source: Annual Financial Statements of Companies
