GOVERNMENT OF INDIA
MINISTRY OF COOPERATION

LOK SABHA
UNSTARRED QUESTION NO. 1535
TO BE ANSWERED ON 28th July, 2026

Proposal for Insurance Company

1535. Prof. Sougata Ray:

Will the Minister of COOPERATION **(सहकारिता मंत्री)** be pleased to state:

(a) whether the Government has any proposal to set up insurance company, if so, the details thereof;
(b) the reasons for setting up of another insurance company despite the insurance sector is regulated by IRDA;
(c) whether a feasibility study or financial viable assessment has been conducted for the proposal;
(d) if so, the details thereof; and
(e) whether the proposed insurance company will be wholly under the Government or a public undertaking or a joint venture with private entities and if so, the details thereof?

ANSWER

THE MINISTER OF COOPERATION
सहकारिता मंत्री (SHRI AMIT SHAH)

(a to e) In order to realize the vision of Sahakar-se-Samriddhi, Ministry of Cooperation has undertaken several initiatives to strengthen the cooperative sector and deepen its reach up to the grassroot level across the country. These initiatives are aimed at promoting cooperation based economic development model, including socio-economic upliftment of small and marginal farmers, traders and other weaker sections.

The Ministry of Cooperation has undertaken several initiatives to enable cooperative banks to carry out banking and allied financial activities at par with commercial banks, including acting as 'Corporate Agents' for the distribution of insurance products. These initiatives are aimed at diversifying the business portfolio of cooperative banks, strengthening their financial viability and competitiveness, enhancing fee-based income, and promoting financial inclusion. Further, these measures have ensured the expansion of access to and availability of quality banking and insurance services through the cooperative banking network, particularly in rural, semi-urban, and underserved areas.

Further, with the efforts of the Ministry of Cooperation, RBI has also removed the requirement of a minimum net worth of ₹50 crore for Rural Cooperative Banks to obtain a Corporate Agent licence for the distribution of insurance products, thereby facilitating greater participation of cooperative banks in insurance sector and expanding access to insurance services.

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