

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA

STARRED QUESTION NO. 308

TO BE ANSWERED ON MONDAY, JULY 15, 2019/ASHADHA 24, 1941 (SAKA)

MERGER OF INSURANCE COMPANIES

***308. SHRI SANJAY SADASHIV RAO MANDLIK:
SHRI BIDYUT BARAN MAHATO:**

Will the Minister of FINANCE be pleased to state:

- (a) Whether the Government proposes to merge the State owned Insurance Companies;
- (b) Is so, the details along with the aims and objectives thereof;
- (c) Whether the Government has consulted with the respective trade unions in this regard and is so, the details thereof along with the response of the trade unions thereto;
- (d) Whether the consolidation in the public sector general insurance companies is part of disinvestment strategy of the Government and if so, the details thereof; and
- (e) the time by which the decision is likely to be taken by the Government in this regards?

ANSWER
THE FINANCE MINISTER
(SMT. NIRMALA SITHARAMAN)

(a) to (e): A Statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PART (a) to (e) OF LOK SABHA
STARRED QUESTION NO. 308 FOR 15th July, 2019 REGARDING “MERGER OF
INSURANCE COMPANIES” TABLED BY SHRI SANJAY SADASHIVRAO MANDLIK
AND SHRI BIDYUT BARAN MAHATO**

(a) to (e): It was announced in the Budget Speech of 2018-2019 that the three public sector general insurance companies, National Insurance Company Ltd, United India Assurance Company Ltd and Oriental India Insurance Company Ltd will be merged into a single insurance entity and will be subsequently listed. No specific timeline has been fixed in this matter. The rationale behind any merger(s) is to achieve scale, synergy, efficiency, expenditure rationalization, optimization of resources, unlocking value etc. for which the extant legal, regulatory compliances as well as stakeholder consultation is carried out as per the established procedure.

