

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1564
ANSWERED ON:27.11.2009
PRIVATE AND FOREIGN PLAYERS IN INSURANCE BUSINESS
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Will the Minister of FINANCE be pleased to state:

- (a) the name of the private and foreign players allowed in the insurance business as on date;
- (b) whether these players concentrate more on Life Insurance or General Insurance business;
- (c) the reason for their preferential indulgence; and
- (d) the steps taken by the Government to check the situation in this regard?

Answer

Minister of State in the Ministry of Finance (Shri S.S. Palanimanickam)

(a) : As per Insurance Act, 1938, a foreign insurer has to enter into joint venture agreement with an Indian promoter/s of Indian Insurance Company or Insurance Co-operative Society and has to restrict its holding to 26% of the paid up capital of the Indian Insurance Company or of the Insurance Co-operative Society to be allowed to transact business in India. List of the private insurers along with their foreign partners are in Annex.

(b) to (d): The Insurance Regulatory and Development Authority (IRDA) has informed that an insurer is granted license to transact business of life insurance or general insurance only. Hence the question of concentration more on life or general insurance business does not arise.