

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2868  
ANSWERED ON:26.11.2010  
MERGER AND ACQUISITION OF NON-LIFE INSURANCE COMPANIES  
Das Shri Khagen

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government is contemplating to introduce new guidelines for mergers and acquisitions among non-life insurance companies in the country;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the steps taken/being taken by the Government to protect the interests of policy holders?

**Answer**

Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a)to(c): Yes, Sir. The Insurance Act, 1938 provides for the amalgamation and transfer of life insurance business. The Act does not contain any specific provision for the amalgamation of non-life insurance companies. The Insurance Regulatory and Development Authority (IRDA) has informed that they are in the process of formulating the guidelines for mergers and acquisitions of non-life insurance companies. The proposed guidelines would address issues relating to protection of the interests of policyholders, which would inter-alia cover payment of claims by the amalgamated entity, as and when they arise apart from the policy servicing aspects etc.