

'PSU insurers' merger may be completed by March 2019'

M.N. Sarma

The proposed merger of three public sector insurance firms may be completed by early 2019, said M.N. Sarma, chairman and managing director of United India Insurance Co. Ltd.

Talking to the media on the sidelines of a National Insurance-ASSOCHAM Summit, he said that a meeting of all the three heads of the respective insurance PSUs had been convened on February 16 in New Delhi to discuss the budget proposal.

Finance Minister Arun Jaitley had in the Budget, proposed a merger of three general insurers — National Insurance Co. Ltd., United India Insurance and Oriental Insurance Company Ltd.

'Operational advantages'

"There are a lot of operational advantages and savings that will accrue from this proposed merger," Mr. Sarma said even as he expressed confidence that neither competition nor manpower would be affected by the creation of a single entity. "The issue is to make the companies stronger," he added.

To a question on the management of the assets of these three companies, he said that all the finer points would be worked out progressively.

Earlier at the event on connecting wellness to health awareness, he mooted the idea of pursuing a carrot-and-stick policy to incentivise people to buy health insurance cover while leading a more healthy life. "Unless the rod is used, people will not fall in line.. insurers could then give discounts to the insured for staying healthy," he said.

National Insurance chairman-cum-managing director K. Sanath Kumar said that an awareness campaign was needed to remove the air of distrust between the insurer and the insured while encouraging people to take care of their health. R. Chandrasekharan, secretary general of the General Insurance Council said that health insurance was not for aggrandisement of the hospital chains but for helping a person in health distress.

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