

Dated 16-12-2024

MEMORANDUM OPPOSING 100% FDI IN INSURANCE SECTOR
& DEMANDING MERGER OF PSGICs

Protest Demonstration on 16th December during lunch hours throughout the country against 100% FDI in the Insurance sector and demanding the merger and strengthening of PSGICs.

The Unions and Associations in Public Sector General Insurance Companies strongly believe that the proposal to allow 100% FDI in the insurance sector should be dropped. Past trends indicate that increasing FDI limits has not significantly contributed in improving insurance penetration in the country. Instead, FDI flows have primarily been profit-driven, with a focus on capital repatriation rather than serving the socio-economic needs of India. This raises serious concerns about the long-term impact on the stability and accountability of the insurance sector. We fear that allowing complete foreign ownership will further marginalize public sector insurers and compromise their role in serving the people, especially in rural and semi-urban areas where private insurers have historically shown limited interest.

Government data reveals that FDI utilization in the insurance sector to date is merely 32.67% of the current limit of 74% indicating limited demand for such capital. FDI prioritizes profit generation and capital repatriation over serving the people and fostering national progress.

The Unions and Associations demands:-

1. Merger of the Public Sector General Insurance Companies to create a single, robust Monolithic Corporation to avoid inter company competition, rate cuttings and to serve more effectively and efficiently to the customers and citizens at large.
2. Infusion of adequate capital to expand operations and serve the citizens and common men through government social security schemes such as Pradhan Mantri Fasal Bima Yojana, Rashtriya Swasthya Bima Yojana, Pradhan Mantri Suraksha Bima Yojana, Ayushman Bharat, Pradhan Mantri Jan Arogya Yojana, and other similar initiatives.
3. To ensure level playing field in the insurance market

GIEAIA Class 3 & 4

GIEAIA Class 1

AIIEA

All India General Insurance SC/ST Employees Parishad (Jayamurthy)

IOBCEWA

All India SC/ST General Insurance Employees Welfare Association

The General Insurance Officers Association (INTUC)

AIGIE Congress

GIBCEWA

General Insurance Development Officers Federation (Regd.)

Beema Sangham Employees Welfare Association for SC/ST

Beema Sangham Employees Welfare Association for OBC

To

1. Honourable Minister of Finance,

Govt. of India,

New Delhi

Email : fmo@nic.in

2. Secretary,

Deptt. Of Financial Services,

Govt. of India,

New Delhi

Email : secy_fs@nic.in