

Marsh India to buy JLT Independent Insurance

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Mumbai: Marsh India, an arm of the world's largest insurance broking group Marsh, has agreed to buy JLT Independent Insurance Brokers — a joint venture between Jardine Lloyd Thompson of UK and Sunidhi Group in India.

Both the parties expect to close the deal by March 2020. In keeping with the agreement in principle, JLT Independent has appointed Mohit Agarwal — the former leader of employee health & benefits at Marsh India — as CEO with immediate effect.

It follows the acquisition of JLT Group by Marsh & McLennan Companies globally, which was completed on April 1, 2019. In India, both Marsh and JLT are minority partners in their respective joint ventures. This is the first big ticket acquisition in the sector after the government announced 100% foreign direct investment in insurance intermediaries. These include all the ancillary insurance-related services other than insurance or reinsurance.

“With shared client-centric values and a commitment to the highest levels of integrity, the combined organisation will be India's pre-eminent professional services firm in the areas of risk, strategy and people,” said Marsh India country head and CEO Sanjay Kedia. Marsh India is currently a joint venture between Marsh International Holdings and India-based Rampart Trust — one of the first foreign insurance brokers to be registered as a composite broker with IRDAI in 2003. With 17 branches throughout India, it employs more than 670 professionals, servicing close to 4,900 clients across all sectors of the economy. The parent company is understood to have approved a proposal to hike stake in its Indian venture.

According to industry sources, although the government has approved 100% FDI, the regulations are still onerous. Insiders say that the government has not diluted the requirement for having Indian directors and there are restrictions on dividend distribution.

