

1650 hours

Title: Discussion on the Insurance Laws (Transfer of Business and Emergency Provisions) Repeal Bill, 2000 (Bill passed).

MR. CHAIRMAN : The House shall now take up item no. 21.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): I beg to move:

"That the Bill to repeal the Allianz Und Stuttgarter Life Insurance Bank (Transfer) Act, 1950, the Life Insurance (Emergency Provisions) Act, 1956 and the General Insurance (Emergency Provisions) Act, 1971, be taken into consideration."

This august House would recall that the Government had introduced the Insurance Laws (Transfer of Business and Emergency Provisions) Repeal Bill, 2000 in the last Session of this House. This Bill has been introduced by the Government consequent on the recommendations given by the Commission on Review of Administrative Laws which was set up by the Central Government on the 8th May, 1998. This Commission has recommended repeal of the following Acts.

1. The Allianz Und Stuttgarter Life Insurance Bank (Transfer) Act, 1950,
2. The Life Insurance (Emergency Provisions) Act, 1956, and
3. The General Insurance (Emergency Provisions) Act, 1971.

In pursuance of the recommendations of the said Commission, the Central Government has decided to repeal the above-mentioned Acts as they have ceased to serve any purpose and have become obsolete.

The Allianz Und Stuttgarter Life Insurance Bank (Transfer) Act, 1950 was enacted to provide for the transfer of the business of the Allianz Und Stuttgarter Life Insurance Bank Ltd., to the United Life Assurance Company Ltd. This Act was enacted before the nationalisation of life insurance sector. After nationalisation of the life insurance business in 1956 and with the Life Insurance Corporation of India having been given the exclusive privilege of transacting life insurance business in India, this Act of 1950 have ceased to have any utility.

The Life Insurance (Emergency Provisions) Act, 1956 was enacted to provide for taking over, in the public interest, the management of life insurance business pending nationalisation thereof. The provisions of the Act provide for the management of life insurance business to vest in Government on commencement of the Act. On nationalisation of the life insurance business and with the Life Insurance Corporation Act, 1956 coming into force with effect from 1.7.1956, the Life Insurance (Emergency Provisions) Act, 1956 ceased to have any utility.

The General Insurance (Emergency Provisions) Act, 1971 was promulgated in 1971 for taking over the management of general insurance business pending nationalisation of such business in the public interest. Through the General Insurance Business (Nationalisation) Act, 1972, the management of the general insurance business in the country was passed on to the General Insurance Corporation of India and its four subsidiaries. With the passing of the General Insurance Business (Nationalisation) Act, 1972, the provisions of the General Insurance (Emergency Provisions) Act, 1971 ceased to have any utility.

The present Bill, that is, the Insurance Laws (Transfer of Business and Emergency Provisions) Repeal Bill, 2000 is brought before this House for repealing the above-mentioned three Acts which have become obsolete.

MR. CHAIRMAN : Motion moved:

"That the Bill to repeal the Allianz Und Stuttgarter Life Insurance Bank (Transfer) Act, 1950, the Life Insurance (Emergency Provisions) Act, 1956 and the General Insurance (Emergency Provisions) Act, 1971, be taken into consideration."

SHRI E.M. SUDARSANA NATCHIAPPAN (SIVAGANGA): Respected Chairman, Sir, actually, we are celebrating the birth of these three enactments which were giving a new life to the Indian people.

The General Insurance Company was taken over by the Government; and that gave the last 50 years of development of our rural areas and also the development of the whole India. Not only the individuals got benefited and the families got benefited, but also lakhs and lakhs of people who were educated but not having employment were benefited by this. They were recruited in the insurance sector. They got the benefit of proper salary and other perquisites.

We cannot expect these things from the private sector. The amount that were collected and deposited in the insurance sector were utilised for the benefit of the whole country, for laying roads, for developing drinking water facilities, for funding agriculture development, for funding industrial development etc. This money was utilised in each and every sector. A lot of people have benefited from that. Industries have developed; agriculture sector has

developed; and infrastructure has developed. This enactment gave fillip to the lives of millions of people. This enactment has now gone because of the subsequent enactments which were brought by this Government promising that it would continue this business of insurance and without diluting the competition. We hope that the Government would maintain the assurance and it would protect the interests of the millions of people who were very happy when these enactments were brought about. Now, this is going to be repealed. The ambition with which Pandit Jawaharlal Nehru did it should be remembered. In the same way the ambition of Shrimati Indira Gandhi, when she nationalised the General Insurance should also be remembered. These were done for the sake of the people and for the sake of the nation. We have achieved it for so many years and for so many decades. We have shown that this is the correct thing which we have done. Millions of people have enjoyed it and are going to enjoy it.

I would like to draw the attention of the hon. Minister to the fact that when you are going for the competition, kindly see that the insurance in the private sector does not swallow the funds as the chit fund companies have done. They should not swallow the funds. They should give an assurance to the nation that the interest of the common people would be protected. We are reducing the percentage of deposit to 20 or 22 per cent for the private companies. They may be competing. They may be competing for the purpose of business. Afterwards they will just go away from the scene. That type of thing is happening in the Western countries. The Government should be very careful and see that insurance companies do not cheat the public. Things should be done properly and unnecessary competition should also be curbed. Officials of the Life Insurance Corporation and General Insurance Corporation are now gradually going to the private sector. That should also be looked into. It is because experienced officials who have been trained by us and who have been working for us are now going to the private companies. The middle level officials and lower-level cadres are suffering. They should be protected and they should be properly looked after.

While repealing the Bill is necessary, I would request the Government to bring a new Bill to fulfil the aspirations which were there when these enactments were made.

SHRI V.P. SINGH BADNORE (BHILWARA): Sir, I rise to support the Insurance Laws (Transfer of Business and Emergency Provisions) Repeal Bill, 2000. This has become necessary because of the new Act which gave existence to Insurance Regulatory Authority. Life Insurance was nationalised in 1950 and General Insurance was nationalised in 1970. There is new thinking all over the world that insurance should be opened up for private sector. It has been done in our country also. That is why this has become necessary. With the new provisions and with the opening up of insurance business, there will be a lot of competition now. People who are really going to benefit are consumers. There was a time when the LIC and the GIC had the monopoly. There was no competition.

1700 hrs.

Now, with the opening up of the general insurance and other insurance, there is competition and the beneficiaries are the people in general. This Act has basically to say that the monopoly or the nationalisation which was there for so many years is being repealed. There is nothing much in it. It has a very limited role. I would also like to say that the general insurance has all the old system. In the world the systems have changed. The number of accidents has increased. The insurance is being done by following the old system. The US has adopted a new system. Under this new system the insurance company does not insure only the car but also insures the person who is driving it. They also take into consideration the fact whether the insurer and the car had any accident before or not. If they had an accident before, the premium goes up. This system was not there in the Indian system.

With the introduction of this system, it is hoped that the number of accidents would come to a lower level. There are people in the rural areas, who are not well educated but who get a licence through means which I will not discuss here. If there is an uneducated driver driving a truck, his premium should go up. The driver should know how to read the signs of the road. But he does not now that. He is overtaking when he is not supposed to. That is why we have so many deaths on the roads. Now, insurance being opened up, we hope all this will be looked into and there will be no monopoly. With these words I support this Bill totally. Thank you very much.

SHRI RUPCHAND PAL (HOOGLY): Sir, our apprehensions have proved to be true. At the time of discussion of IRA Bill, some of us had said that this disastrous piece of legislation will harm this country, will immensely damage the two prestigious and glorious institutions of both life and general insurance. These apprehensions have come true. I would cite one example.

You may be remembering that Gujarat had suffered an unprecedented cyclonic storm and vast areas of Gujarat suffered huge losses in terms of crops and such other things. This happened not long ago but just about three years back. Gujarat could be saved because the general insurance through its international recognition could manage to make provision for giving huge compensation to the farmers and others. We had said that be it at times of emergency, natural calamity or in the matter of nation building process, insurance has provided support to the plans. Even in the Ninth Plan the insurance sector had made a provision of Rs.1,00,000 crore. There is no institution in the country which can provide such a financial support to our plans for providing drinking water, roads

and such other things.

Ultimately, I am happy that reservations are being expressed from the Congress Benches. Had they expressed their reservation at that time instead of joining hands with them, the picture would have been totally different. I had been associated with the Standing Committee. I had submitted a note of dissent. You must be remembering who got the leadership in the Committee. You can go through the proceedings of the Committee. I had submitted a note of dissent.

The private operators who are entering the newly opened field, are they broadly focussing on the national interest, or on the interest of the farmers or on the interest of the rural poor? They are not. They want to operate only in those sectors where there is profit. Till today, they have expressed their intention to enter into the profitable areas only.

What happened in the case of banks? When the foreign banks were allowed to operate – I am not naming them – they had undergone a stipulation that they will also, just like the public sector banks, abide by the guidelines prevailing in respect of the priority sector lending. We examined it. We found that no foreign bank has provided any such priority sector lending, be it agriculture or be it small scale sector. Now they are being told to purchase bonds of IRDF and all these things. They are not paying income tax. They are doing whatever they like. They are squeezing their operations wherever they want. Just like that it is happening in the insurance sector also. It has started already. The most unfortunate part of it is that IRDA has been functioning – framing of rules etc. – in a manner which is totally prejudicial to our nationalised sector.

At that time, this Government tried to assure us that the public sector will be protected and that the public sector will be given such support and other things. Parliament is the highest and sovereign body. May I know from the hon. Minister whether he has amended the GIC act? If it has not been amended, by what authority and by what process you have derailed the four subsidiaries from the holding companies. I know the story. At an appropriate time I shall try to lay all the papers on the Table. In the first instance, it was done orally. The chiefs were called and they were asked to do it. Then through one dictum from the office of the Minister of Finance, the words had to be changed. It is not the simple question of changing one word like 'may' or 'shall'. But words had to be changed because the dictum was so vague that the public sector undertakings would have been in serious difficulty. Parliament is here but the Acts of Parliament are being ignored by the Minister of Finance like anything. I am charging this Government that they are trying to escape and that they are trying to avoid this Parliament. They have not amended the parent Act. They are doing it only through oral directives, only through official dicta, and through DO letters. Can you imagine this? I am raising this issue and the Minister owes it to this Parliament. This is not the occasion to elaborate many other things which are happening behind the scene. At the right moment, I shall place everything on the Table of the House. But this Government is out to destroy the prestigious and glorious institutions which have contributed immensely to the nation-building process from the dates of nationalisation, namely, 1956 and 1972.

This Government is quite aware as to how the foreign operators are trying to operate through their domestic counter-organisations and how they are out to influence this body. I can cite any number of examples as to how IRDA office itself is being used by foreign insurance companies in this country. I am not elaborating it much as this is only a simple Repeal Bill to repeal three pieces of legislations which have become obsolete. This could have been done earlier also.

1711 hours (Shrimati Margaret Alva *in the Chair*)

My charge against this Government is that it is not coming forward to this House to explain how it has acted and behaved since the days of opening up of the insurance sector and how the nation is suffering.

I can give one more example about crop insurance. The GIC had prepared a comprehensive crop insurance policy on its own without the support of the Government. The Government also on the floor of the House said so many beautiful things and gave many assurances. But what happened to the crop insurance? Which private insurance company is coming forward to protect the farmers of this country? No one. Which private insurance company is coming forward to protect our small industries and cottage industries which are in very serious difficulties? No one.

Many parts of this country have been hit by severe drought. West Bengal suffered from unprecedented floods, Gujarat suffered from an unprecedented earthquake; a disaster in the form of super-cyclone had hit Orissa. Along with it so many other parts of the country like Madhya Pradesh, Rajasthan and Orissa have also been affected. In Orissa people are dying out of starvation - Members from Orissa would bear me out. Even today a report says that in Bolangir a mother has sold her child for Rs.5,000. The Government is sitting quiet; I do not know what will happen to this country. Even after so many months lakhs of people are suffering in Orissa. I raised this matter on the floor of this House on an earlier occasion. Those who have visited Orissa know that in certain parts lakhs of people are still under the open sky.

Gujarat earthquake is a very serious issue. Many people have lost their lives. But, in terms of the extent of damage and the extent and magnitude of suffering, it is very high in Orissa and West Bengal also. It should be noted by the Government. There is no institution to come forward and the Government is disowning its responsibility. Of course, people from different parts of the country and abroad are coming in support of Gujarat. It should be like that. But Orissa is also a part of India and so is West Bengal. The Government has itself admitted the extent of damage and suffering there. If the GIC had played its proper role in these parts of the country, including Gujarat, it would have helped them a lot as it happened earlier in Gujarat at the time of a cyclonic storm.

I would not like to go into the details of the developments in the private insurance sector. The health sector is also getting neglected while the Government is making so many promises. My charge is that the Government is out to weaken the GIC.

Suggestions have come that it should not be delinked. Rather four subsidiaries, along with GIC, such a mega body, could have the power to compete with foreign insurance companies that could come to authority. Instead, they were split into four subsidiaries. What is happening? I will give one example. The New India Insurance Company is one of the most profitable subsidiaries. You know that most of the top officials have been lured away. Should I take the name? It is steel major, Tata or Reliance who are operating alongwith foreign insurance company. The New India Insurance Company is almost vacated. It is the most profit-making subsidiary. I could give any number of examples to show how poaching is continuing and how talented people are being lured away. There is a regulatory body and I am charging the leadership of that body that they are acting in a prejudicial manner subserving the interests of private insurance companies and foreign insurance companies. I demand that the Government should come forward and explain its conduct to this House, without amending the parent Act, that how they could go on acting in such a manner with only executive dictates, only oral instructions and with d.o. letters.

श्रीमती जस कौर मीणा (सवाई माधोपुर) : माननीय सभापति महोदया, मैं माननीय वित्त मंत्री जी द्वारा प्रस्तुत बीमा विधि (कारबार का अंतरण और आपात उपबंध) निरसन विधेयक, 2000 का समर्थन करने के लिए खड़ी हुई हूँ। मैं उन्हें धन्यवाद भी देती हूँ कि उन्होंने एक ऐसे समय इस विधेयक को प्रस्तुत किया है जब इसकी अत्यन्त आवश्यकता है। आज जब हम भारत के आम नागरिक को साधारण बीमा निगम और लाइफ इंश्योरेंस की सुविधाओं से जोड़ रहे हैं, उस समय इस विधेयक को प्रस्तुत कर बहुत अच्छा काम किया है।

सभापति महोदया, अभी तक हमारे देश में संगठित क्षेत्र के श्रमिकों के सामूहिक बीमा की सुविधा उपलब्ध हो गई है और उसका लाभ इस क्षेत्र के श्रमिक उठा रहे हैं, लेकिन असंगठित क्षेत्र के श्रमिक अभी तक बीमा लाभ से वंचित हैं। असंगठित क्षेत्र में भी यदि मैं यह कहूँ कि अधिकांश भाग कृषि से संबंधित कार्यों में लगा हुआ है जिसमें 80 प्रतिशत श्रम शक्ति महिलाओं की है क्योंकि आज कटाई, बुवाई या कृषि के आधुनिक उपकरण जिनका प्रयोग किया जा रहा है वे केवल मात्र पुरुषों की श्रम शक्ति को बचाने के लिए काम में लाए जाते हैं। प्रचलित आधुनिक कृषि यंत्रों से महिलाओं की श्रम शक्ति की बचत बिलकुल नहीं होती है और आज भी 80 प्रतिशत महिलाएं कृषि क्षेत्र में श्रम लगाकर उत्पादन कर रही हैं, लेकिन दुर्भाग्य की बात है कि इंश्योरेंस का लाभ उनको नहीं मिलता है। साधारण बीमा से भी उन्हें कोई लाभ नहीं हुआ है क्योंकि पशुओं का इंश्योरेंस कराने की न तो उनकी हैसियत है और न ही उनको ज्ञान है क्योंकि वे अशिक्षित हैं। ऐसी स्थिति में साधारण बीमा निगम का ध्यान उस ओर जाना चाहिए और गरीब तबकों, महिलाओं तथा कृषि मजदूरों को भी लाभ मिलना चाहिए।

सभापति महोदया, मैं एक बात और आपके माध्यम से कहना चाहती हूँ और वित्त मंत्री जी का ध्यान आकर्षित करना चाहती हूँ कि ग्रामों में आजकल यातायात में दुर्घटनाएं बहुत हो रही हैं। गांवों में आवागमन के साधन के रूप में जो वाहन उपयोग में लाए जाते हैं, नियमानुसार उनका रजिस्ट्रेशन होना चाहिए, लेकिन हम देख रहे हैं कि उन्हें रजिस्टर्ड करने के लिए नियमों में प्रावधान नहीं है। आप सभी माननीय सदस्य यहां विराजमान हैं, मैं आपका ध्यान राजस्थान, हरियाणा और पंजाब की ओर दिलाना चाहती हूँ जहां ग्रामों में आवागमन के लिए मुख्य साधन के रूप में "जुगाड़" नामक वाहन चलता है। "जुगाड़" उसे कहते हैं जिसमें बहुत सारी चीजों को इधर-उधर से मिलाकर एक वाहन तैयार कर लिया जाता है जो आवागमन के रूप में गांवों में बहुतायत से उपयोग किया जाता है, लेकिन उन वाहनों का न तो कहीं रजिस्ट्रेशन होता है और न ही उन्हें वैधानिक रूप से मान्यता मिलती है। ग्रामीण क्षेत्रों में इस वाहन का 80 प्रतिशत उपयोग होता है।

ऐसी स्थिति में उसमें बैठे हुए यात्री का जब दुर्घटना में निधन हो जाता है तो न तो उसको दुर्घटना बीमा का लाभ मिलता है और न ही किसी तरह का अन्य लाभ जो उसके जीवन को सिक्योर करने के लिए होता है, वह मिलता है। ऐसी स्थिति में मैं यह कहना चाहूंगी कि दुर्घटना बीमा की व्याख्या की जाये और दुर्घटना बीमा के अन्तर्गत मिलने वाले लाभों को आम आदमी तक हम पहुंचा सकें, उस अशिक्षित आदमी तक पहुंचा सकें जो वाहनों के अभाव में इन जुगाड़ वाले साधनों का उपयोग करके यात्रा करते हैं। मैं पुनः यह कहना चाहूंगा कि आज जीवन को सुरक्षित करने के लिए इस जीवन बीमा का लाभ हिन्दुस्तान में बहुत कम लोगों को मिल पा रहा है। यह लाभ और अधिक लोगों को मिल सके, ऐसा भी कोई प्रावधान मंत्री जी इस विधेयक के अंदर लायें। इस तरह के प्रावधान के लिए मैं सुझाव भी देना चाहूंगी कि यदि असंगठित श्रम कहीं श्रम कर रहा है तो भले ही उनकी सामूहिक रूप से कहीं गणना न हो सके लेकिन ग्राम सरपंच इकाई को आज बहुत महत्वपूर्ण बना दिया है, उस सरपंच से भी डेटाज़ लिये जा सकते हैं और उनको जीवन के इंश्योरेंस का लाभ दिया जा सकता है। यह लाभ हमारे अन्त्योदय परिवार से जुड़े हुए भाई-बहनों के लिए तो किया है लेकिन वह बहुत ही आंशिक है। जब किसी की मृत्यु हो जाती है तो 10 हजार रुपये मात्र उस परिवार को मिलते हैं। उस 10 हजार रुपये से आज के समय में उनकी किसी भी आवश्यकता की पूर्ति नहीं हो सकती।

दूसरी बात मैं यह भी जोड़ना चाहूंगी कि महिलाओं की भागीदारी में जो महिला राजकीय सेवा में हैं, उसको जीवन बीमा का लाभ मिलता है लेकिन जो महिला राजकीय सेवा में नहीं हैं, उसको पति के साथ ज्वाइंट इंश्योरेंस पालिसी के माध्यम से जो पालिसी दी जाती है, उसमें उसको अलग से कोई लाभ न मिलकर उसको पति के साथ ही लाभ मिलता है। क्या महिला अपने आप में हिन्दुस्तान की एक अलग इकाई नहीं है जिसको उसके सम्पूर्ण जीवन का और उसके जीवन के पश्चात उसके परिवार को, उसके पति को उसके जीवन का लाभ मिल सके। इस तरह का भी कोई प्रावधान इस विधेयक में जोड़ा जा सकता है तो माननीय मंत्री जी उसे अवश्य जोड़ें।

मैं पुनः इस बिल का पुरजोर समर्थन करते हुए अपनी भावनाओं को आपके साथ और इस बिल के साथ कहीं न कहीं समाहित करने के लिए अनुरोध करती हूँ। धन्यवाद।

DR. B.B. RAMAIAH (ELURU): Madam, I thank you for giving me this opportunity to speak on the Insurance Laws (Transfer of Business and Emergency Provisions) Repeal Bill, 2000.

First of all, I would like to submit that the Government had set up a Commission in 1998 to review the Laws and Acts which have over-lived their utility and which need to be scrapped. These Acts are the Life Insurance Bank (Transfer) Act, the Life Insurance (Emergency Provisions) Act and the General Insurance (Emergency Provisions) Act. As per the recommendations of the said Commission, it has been decided to repeal these Acts because they cease to serve any purpose, they have become obsolete and they needed to be replaced by these Acts. This is the main purpose for which the Government has come up with this Bill. I support this Bill because it should have been done even earlier.

When we are discussing the Insurance Act, there are some things which require to be considered. Today, if you look, it is either the Life Insurance or the General Insurance, it has covered only a small percentage of people and a small percentage of assets. It has to serve very widely. It may have to cover substantially in respect of social obligations also, if necessary. Today, as Shri Rupchand Pal has put it, the Crop Insurance Scheme in respect of farmers is not up to the mark. They are repeatedly coming before the House with the provisions saying that they are going to add and make it more serviceable and useful. But till today, they are not able to make it. This is very important because today the farmers have been able to work very hard. In spite of the calamities that had happened, either cyclone or drought or all these things together, they are hard working and producing a substantial surplus food whether it is rice or wheat or sugar – whatever you may call it. So, they need certain amount of insurance coverage. Please see the natural calamities that are taking place all over the country. There should be special insurance provisions in respect of natural calamities also.

A number of people have not been covered under the medical insurance. Today, medical treatment has become very expensive. Unless insurance coverage is there for a substantial number of people, the medical obligation would also become a problem. The Government is not able to provide a large amount of medicines for the people. At least insurance companies would take care of medicines. There are also other things which require the opinion of the international experts – as to how it should be covered widely; as to how it should serve more number of people.

I feel that unemployed people should also be covered under insurance. Unemployment is increasing. Providing insurance cover to these people would help them.

There are other insurance coverages which are required to be widely taken care of. Air insurance coverage should also be increased. So, also vehicle insurance. Accidents are taking place very frequently and at a faster pace. All types of vehicles, including two-wheelers and three-wheelers must also be brought under insurance coverage. Without the insurance coverage, they should not be allowed to ply on the roads. Under the present conditions and circumstances, this has become absolutely necessary. The Government has to come out with various types of new schemes to help the people in this regard.

The amount collected as insurance premium should be used for the development, progress and prosperity of the country. The Government should find out as to how the insurance premium should be utilised. The Government should frame guidelines on these things.

The above points should be considered at the time of taking up the main Insurance Bill. I do not want to cover other things because this is not the main purpose of this repeal Bill. This repeal Bill should have been brought much earlier. Anyhow, we all support the Bill.

PROF. UMMAREDDY VENKATESHWARLU (TENALI): Madam, I support this Bill.

Firstly, there is a flaw in the existing law which needs to be set right – and that is regarding crop insurance. Crop insurance coverage is there as long as crop is standing in the field. Once the crop is cut, it requires at least a week for its drying, heaping and then crushing. Insurance is somehow not covered that particular stage of the crop. When it is flat in the field, it is field-oriented crop. Till such time that it is harvested, crushed and produce is taken home, that part of the period should also be covered. It is true that during this particular period, because of floods, etc. the produce is washed away and crop insurance coverage is not being given. This is the flaw that should be set right.

Secondly, regarding vehicle insurance, third party insurance is mostly not there. Poor fellow have been travelling on most of these trucks from one place to another in the rural areas when the accident takes place, they are not getting any insurance benefit.

Thirdly, in most of these things, a lot of misuse is going on. We have to be aware that in most of these godowns and warehouses, godowns are insured and the produce that is stored in those godowns is not insured. When fire accident takes place, the godown owner gets the insurance money, whereas most of the farmers who store their produce in the godowns do not get any insurance benefit.

Some of these anomalies have to be set right. Unless it is done, the actual poor persons will not get the benefit of this insurance coverage.

This is the real situation. As far as insurance is concerned, even today the elite in the society and the business community are only getting the benefit. The people who die while travelling in trucks and most of the farmers who are storing their produce in the godowns are not getting the benefit of insurance. These things have to be set right.

With these few words, I thank the hon. Minister for bringing this Insurance Laws (Transfer of Business and Emergency Provisions) Repeal Bill, 2000.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): Madam Chairman, at the outset, I thank the hon. Members who participated in this debate and supported the Repeal Bill. They have raised a number of issues which are related to various human aspects, including property. But the scope of this Bill is limited to only repealing and everybody is aware of it.

Shri Rupchand Pal has raised a number of issues. I will not reply to them now. When we bring the Amendment, those issues will be looked into. In the original Act, GIC was a re-insurance company. If it had acted expeditiously, naturally, some foreign company would have come and the entire re-insurance business would have gone abroad. So, that became a re-insurance company.

I do agree with all the hon. Members that after the nationalisation of insurance, the funds collected through premium by the insurance companies were invested in nation building activities like construction of roads, provision of drinking water, health services etc. Today they are investing the money in the field of Information Technology. The insurance money has actually become a big asset for the country not only for the Plan or Non-Plan expenditure, but also for the development of the country, as a whole. Some hon. Members have made comparison as to what is the position of insurance business in countries like the USA, UK, France etc. But I would like to inform the hon. Members that when the Amendment is moved by the hon. Finance Minister, it will take care of the social sector and it will take care of other areas also.

A number of other issues have been raised by the hon. Members. But as far as vehicle insurance is concerned, a number of issues have come up, including the issue of third party insurance. Prof. Ummareddy Venkateswarlu also mentioned the same point. When the Act was amended and the third party was given the full insurance in the case of vehicle insurance, the passengers were left out. This is an aspect which should be looked into. In the case of public transport like buses, passengers take tickets and travel. The issue of insurance of passengers travelling by buses should also be looked into in detail, because it will ultimately increase the ticket fare also. Then, the issue of unregistered vehicles is a very serious matter. The State Governments have to look into this matter because vehicle registration comes under the purview of State Governments. I do not know why the State Governments are allowing this illegal business. The Central Government cannot register all the vehicles.

As far as crop insurance is concerned, I do agree with the hon. Members that the rural area is benefited by this scheme, but at the same time it is neglected also in some ways. We have covered a lot of farmers under the Crop Insurance Scheme within a period of three years and it speaks volumes about the coverage of crops under insurance. We will cover all the crops under insurance very soon and this work is slowly picking up momentum. We have already assured the House that the Crop Insurance Corporation will be started soon and it will take care of all these aspects. The Bill for this purpose will come up in the near future. Today, the GIC and other subsidiaries are looking into this area.

A suggestion came from the last speaker, Shri Ummareddy. I will get it examined how it concerns the standing crop and the harvested crop and later on, the harvester. But as far as my knowledge goes, we ensure it in totality.

I do agree with the lady speaker that the organised sector takes away the benefits of all the schemes. But the agricultural labour – may be a lady or a gentleman – in the unorganised sector always become a victim of the Government schemes because they are not knowledgeable nor are they literate. They are not aware of it. All the NGOs and some social workers throughout the country are also trying to give them benefits. They are making their best efforts. But somehow their ignorance is there. Our suggestion is that we will definitely look into it. I think, it is a very valid suggestion, that is, how the unorganised sector can be benefited by all these things in the insurance sector. All the efforts should not go to the organised sector only. The unorganised sector - whether construction labour or agricultural labour - is definitely a producing sector. I am not going into the details. But these are good suggestions.

Then, there are things like drought or natural calamities that took place in Gujarat and West Bengal. I must convey it to Shri Rupchand Pal that when I had gone to West Bengal, I had the first meeting and then a review meeting with the Finance Minister of that State. He might have seen it in the Press also that he was totally satisfied how the insurance companies and the banking sector helped the Government of West Bengal. I think, he told me personally

in front of the entire group of bankers and other officials of the companies that he was totally satisfied. Yet, much more needs to be done because, every time, you cannot settle everything. It requires some process. Some time is required for that.

So far as the Gujarat earthquake is concerned, I must congratulate the officials of the insurance companies and the banking officials. Even the officials of the Gujarat State Government and of the Central Government, looking into the disaster, lost their properties, and they and their relatives had suffered from injuries. They came out of the shock and served the people in general. The insurance companies have been paying crores of rupees for coverage of insurance loss not for crop only. The banking sector is also helping that way.

When a disaster comes, the concerned officials and the officers also suffer damages. It requires one or two days to come out of the shock. They are also human beings. It is difficult to go out within an hour.

As far as Gujarat is concerned, I am placing it on record that we must congratulate them. I appreciate the enormous work done by the officials of the State Government and the Central Government as well as the of the banking and the insurance sectors.

As far as crop insurance is concerned, the banks and even insurance companies have come out with suggestions. The total crop insurance loss in the earthquake sector affected area is going in cash to the farmers so that they are able to rebuild their own things and the entire work will be on schedule. Two-year moratorium for the payment of instalment will be later. That way, they are also human beings. The private insurance companies are coming forward. Everything will be adjusted.

My learned friend rightly pointed out that computation is required. When the Crop Insurance Bill was discussed, everything was elaborated by our respected Minister of Finance. That way, we want to give more coverage to the demands of the people. The coverage should be more and more. No section of the society or a class of the society should be left out from that coverage. This is the objective of this Government. I think, we will achieve that.

But I must thank all the sections of the House for giving their support. Now, I request that this Bill may be passed.

MR. CHAIRMAN (SHRIMATI MARGARET ALVA): The question is:

"That the Bill to repeal the Allianz Und Stuttgarter Life Insurance Bank (Transfer) Act, 1950, the Life Insurance (Emergency Provisions) Act, 1956 and the General Insurance (Emergency Provisions) Act, 1971, be taken into consideration."

The motion was adopted.

MR. CHAIRMAN: The House shall now take up clause-by-clause consideration of the Bill.

The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Clauses 3 and 4 were added to the Bill.

Clause 1

Amendment made:

Page 1, line 3,—

for "2000"

substitute "2001" (2)

(Shri Balasaheb Vikhe Patil)

MR. CHAIRMAN: The question is:

"That clause 1, as amended, stand part of the Bill."

The motion was adopted.

Clause 1, as amended, was added to the Bill.

Enacting Formula

Amendment made:

Page 1, line 1,—

for "Fifty-first"

substitute "Fifty-second" (1)

(Shri Balasaheb Vikhe Patil)

MR. CHAIRMAN: The question is:

"That the Enacting Formula, as amended, stand part of the Bill."

The motion was adopted.

The Enacting Formula, as amended, was added to the Bill.

The Title was added to the Bill.

SHRI BALASAHEB VIKHE PATIL: Madam, I beg to move:

"That the Bill, as amended, be passed."

MR. CHAIRMAN: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.
