

get it implemented in those days but that was his directive, I was told. So, he was indeed a very farsighted, a very magnanimous ruler, and who is, therefore, honoured today everywhere. He was a great social reformer along with so many social reformers who flourished in different parts of our country at that time. Therefore, we should honour all those people. We should respect their memories. Wherever their statues are put up, to them we should evolve some methods by our joint consultation among the Members of Parliament as to what steps should be taken in future to protect such type of monuments or statues from defilement and desecration.

So, this is all I have to say about this matter as far as I am concerned. Now, we will wait to see what follow-up action is taken and what comes to light as a result of this inquiry. But I am quite sure that the House and the people in general in this country will not be satisfied unless the criminals and vandals who participated in this dastardly crime in Mumbai are brought to book and severely punished.

MR. DEPUTY-SPEAKER : Now, Shri Sharad Pawar. He is absent.

SHRI G.M. BANATWALLA : Sir, Shri Sharad Pawar is not present because he is undergoing a surgical operation. I understand the rules and I will abide by your direction. Though the Mover of the Motion has the right of reply, under the present situation as I was the co-sponsor of this Motion, I may be allowed by your goodness to reply. I am saying this, of course, under this special circumstances. Of course, if you do not allow me, I will not quarrel with you. I will resume my seat...(Interruptions)

MR. DEPUTY-SPEAKER : I am sorry, only the Mover can reply.

I shall now put the Motion moved by Shri Sharad Pawar to the Vote of the House.

The question is :

"That this House expresses its deep concern over the atrocities committed on Dalits in Mumbai, Nagpur and other places in the State of Maharashtra and in other parts of country."

The motion was negatived.

18.44 hrs.

INSURANCE REGULATORY
AUTHORITY BILL - *Contd.*

[English]

MR. DEPUTY-SPEAKER : Now, we shall take up item no. 9 of the List of Business — further discussion on the motion moved by Shri P. Chidambaram.

Shri Basu Deb Acharia, who was on his legs, to continue.

SHRI BASU DEB ACHARIA (Bankura) : Mr. Deputy-Speaker, you please adjourn the House today and I will continue tomorrow...(Interruptions)

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : Sir, let him finish today. There are still 15 minutes available...(Interruptions)

MR. DEPUTY-SPEAKER : Shri Acharia, there are still 15 minutes.

SHRI BASU DEB ACHARIA : Sir, I will take another 40 minutes to finish my speech...(Interruptions)

SHRI P. CHIDAMBARAM : We will take up the Bill tomorrow.

SHRI BASU DEB ACHARIA : Mr. Deputy-Speaker, Sir, I was mentioning last time that the growth in the Life Insurance Company of our country is the highest in the world. So, our Life Insurance Company is not less efficient than the Insurance companies of the developed nations, the industrialised nations...(Interruptions)

MR. DEPUTY-SPEAKER : Please maintain silence.
(Interruptions)

MR. DEPUTY-SPEAKER : Please resume your seats.

SHRI BASU DEB ACHARIA : The share of developed countries in 1990 was 93.5 per cent and it increased to 96.3 per cent. The share of developing countries which was 6.5 per cent in 1990 was reduced to 3.67 per cent. This is the position of the share of the developed countries and the share of the developing countries. Similarly, the premium income from total business by different continents in 1990 and 1992; in North America in 1990 it was 513.9; in 1992 it rose to 556.892, as a percentage it was 37.9 in 1992 which rose to 38.9 in 1992; in Europe it was 33.9 per cent in 1990 which was reduced to 31.1 per cent in 1992.

The main purpose of bringing this Bill is to open this insurance sector to the multi national companies; not only to the private companies, but also to the multi national companies. What is the necessity? If we go back to 1956, when Life Insurance was nationalised, what was the position in our country? There was Insurance Controller and in spite of that the Act of 1938 was amended as many as twenty times prior to 1956. But we have seen what was happening in the private insurance companies; how the bankruptcy was there. That was why in 1956 the Government felt that the insurance companies should be nationalised, should be brought under the control of the Government; and it was nationalised. Since 1956, after nationalisation, there has not been any regulatory authority. In spite of this, what is the growth of Life Insurance Corporation? The growth is 20 per cent every year.

What was the equity of the Government of India? In 1956, it was only Rs. 5 crore.

[Shri Basu Deb Acharia]

There were three main objectives behind the nationalisation of the life insurance industry. I will come to the general insurance industry which was nationalised in 1972, later on.

MR. DEPUTY-SPEAKER : Will you come to that today itself?

SHRI BASU DEB ACHARIA : I will come to that tomorrow.

MR. DEPUTY-SPEAKER : There are still ten minutes left.

SHRI BASU DEB ACHARIA : If you want, you can adjourn the House now. I think, hon. Members are tired.

SHRI SURESH PRABHU (Rajapur) : We should have an insurance cover against interruptions!

SHRI BASU DEB ACHARIA : There were three main objectives behind the nationalisation of the life insurance industry. The first and the foremost objective was the need to spread life insurance business in the rural areas. That was the main objective of the nationalisation of the life insurance industry.

Prior to 1956, the percentage of rural business was minimum, only ten per cent; sometimes, it was even less than ten per cent. During the period prior to 1956, the rural areas were deliberately neglected as the insurance business could not be effective there. After the nationalisation of the life insurance industry and the formation of the LIC, it has been possible for the LIC to spread its business into the rural areas in a determined and planned manner. Last year, business to the extent of 45 per cent was done in the rural areas. Prior to 1956, it was less than ten per cent. The first and foremost objective was to spread the insurance business to cover the rural population more and more. This objective has been achieved.

The second objective was mobilisation of people's savings for national development. It has been greatly fulfilled. What was the position in 1957, immediately after the nationalisation? The premium income was a mere Rs. 88.65 crore. It increased to as much as Rs. 6959.91 crore in the year 1994. The Life Fund has increased from Rs. 410.40 crore in 1957 to Rs. 34,691.39 crore in 1992 and in the current year, it has increased to approximately Rs. 40,000 crore. So, the second objective of mobilisation of people's savings for national development has also been fulfilled because a major part of this amount is being utilised for the welfare of the people.

The third objective was to provide satisfactory service to the policy holders and to cater to their diverse needs. LIC has succeeded in a substantial measure in this area too. In the ultimate analysis, the main objective of the LIC is to satisfy the genuine needs of the policy holders. If we see the number of complaints received per one thousand policies, it was 1.47 in 1970 and it has come down to 0.15 in 1992.

In the case of settlement of claims, the percentage is more than ninety. It is the highest even by international standards. It is much more than what is settled even in developed countries.

So, in regard to efficient service, LIC is much more efficient than any of the insurance companies. You can compare LIC with any of the insurance companies of the developed and industrialised nations of the world. We are told that if we open the doors of insurance sector to the private sector and if there is competition, then it would lead to efficiency.

In almost all the developed countries the insurance industry is mostly monopolised. In the United States of America only five per cent of insurance business is open to foreign companies. In the United Kingdom also the same position exists. It is not more than ten per cent. In the USA, 15 out of 3,500 companies control fifty per cent of insurance sector and in the United Kingdom 13 out of 1800 companies control 80 per cent of the insurance sector.

These nations are pressurising us since 1991, when we had adopted the policy of liberalisation and market economy under the dictates of the World Bank and the International Monetary Fund, to open our insurance sector. What has been stated in the Common Minimum Programme of the United Front Government? It is stated that we have to learn a lesson from what we have seen in the banking sector. What is our experience in the banking sector after having opened it to the multinational companies? A Joint Parliamentary Committee had gone into the security scam in-depth and we have seen how the foreign banks were responsible for the scam which took place in our country during 1991-92.

19.00 hrs.

That is our experience. If we apply that experience to the insurance sector, you can imagine what will happen to that. What is the necessity for that? We were told that we need Rs. 7,00,000 crore, that is, two billion dollars for infrastructure development.

[Translation]

MR. DEPUTY SPEAKER : Shri Basu Deb Acharia, would you like to continue?

[English]

SHRI BASU DEB ACHARIA : I will take another 15 minutes.

MR. DEPUTY SPEAKER : All right. You can continue tomorrow.

19.01 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Tuesday, August 5, 1997/Shravana 14, 1919 (Saka).