

directed to take steps to check such type of incidents of burning people alive.

(viii) **Need to provide employment to people whose land has been acquired for Indira Gandhi Centre for Atomic Research at Kalpakkam, Tramilnadu**

SHRI K. PARASURAMAN (Chengalpatu): Sir, in the Indira Gandhi Centre for Atomic Research at Kalpakkam near Chennai, Tamil Nadu, the third phase expansion has taken place recently, for which necessary land was acquired from the local agricultural people. Further, staff quarters have also been constructed by acquiring land from the local people. At that time, the authorities gave assurance to provide employment to the members of the families who have provided their land to the Centre. But so far the authorities have not fulfilled their promise and the local people are now thrown out of their agricultural livelihood. They are without any job and are very much agitated.

I would, therefore, request the Central Government to look into this issue immediately and take urgent action to provide employment to those families who have provided their agricultural land to the Research Centre. Moreover, the recruiting centre should be shifted from Mumbai to Chennai for the convenience of the local people.

13.49 hrs.

[English]

RE : INSURANCE REGULATORY AUTHORITY
BILL -- *Contd.*

MR. CHAIRMAN : Now let us go to the next item- further consideration of the Insurance Regulatory Authority Bill. Shri Basudeb Acharia was on his legs and he has already consumed nineteen minutes. Achariaji, please tell how much time you will require.

SHRI BASUDEB ACHARIA (Bankura) : I shall take another ten to fifteen minutes.

MR. CHAIRMAN : That is good.

SHRI BASUDEB ACHARIA : Sir, yesterday I was mentioning about what will be our requirement, as per the Common Minimum Programme, for infrastructure development. The requirement will be to the extent of 200 million dollars, that is, Rupees seven lakh crore.

Sir, the extent of resources generated by L.I.C. and G.I.C. is such that even after assuming that there is no improvement in their performance, these two organisations can provide or will be able to provide to the extent of Rs. 1,00,000 crore during the next five years. Then why should we invite the foreign insurance companies when our L.I.C. and G.I.C. are capable of generating funds ? They have

generated funds since their nationalisation. In the Fourth Five Year Plan they generated even more than the targeted amount. The target was Rs. 8,000 crore and the amount provided by L.I.C. was Rs. 12,000 crore. In the Eighth Five Year Plan it provided Rs. 33,000 crore.

The performance of G.I.C. is also not bad. In 1994-95, its settlement of claims was more than 74 per cent whereas the international standard is only 40 per cent. The settlement of claims is one of the criteria for judging the performance of L.I.C. and G.I.C. The gross profit was Rs. 1,081 crore and the net profit was Rs. 333 crore in the case of L.I.C. The growth rate of G.I.C. is 19.5 percent, much more than that of any other company of the United States of America or the United Kingdom. But the problem will be that the premium income of G.I.C. is around 1.5 billion dollars which is much less than some of the foreign companies. You see the premium income of one American company named American International Group Incorporated which is seeking to enter into the insurance sector of our country. In 1993, when the former Prime Minister visited the United States, they sought entry into the Indian insurance sector. What is the premium of this particular company of the U.S.A. ? It is as much as 20.1 billion dollars. If these companies are allowed to enter into the Indian insurance sector, then what will happen to our L.I.C. and G.I.C. ? We have the experience or competition after nationalisation also. What was the net result of competition ? This competition was allowed among the subsidiaries of G.I.C. in 1994.

We have seen the result. We have the experience of this competition, the undercutting of the premium etc.

This will happen if the foreign companies and multinational companies are allowed to enter into the insurance sector of our country. Why should we allow foreign multinational companies ? Why should we allow even private insurance companies into the insurance sector of our country ? What is the necessity ? Is there any necessity ? Will the competition lead to efficiency ? What was our experience of the pre-nationalisation period when there were as many as 245 private insurance companies ? I can quote from the speech delivered by the former Finance Minister, Shri C.D. Deshmukh while nationalising Life Insurance Corporation of India in 1956. What Shri Deshmukh said at that time is still relevant. He said:

"The nationalisation of Life Insurance will be another milestone on the road the country has chosen in order to reach its goal of a socialistic pattern of society. In the implementation of the Second Five Year Plan, it is bound to give material assistance, into the lives of millions in the rural areas, it will introduce a new sense of awareness of building for the future in the spirit of calm confidence which insurance alone can give. It is a measure conceived in a genuine spirit of service to the people. It will be for the people to respond, confound the doubters and make it a resounding success."

It is still relevant.