

[Dr. Ramesh Chand Tomar]

after completing 5 years' medical course. Now, period for their training has been increased by one year. In this way now those medical students would be able to start their practice after eight years which was earlier seven years whereas medical graduates from India can start practice after 5 and a half years. This is an injustice to those medical graduate students.

Therefore, through you, I urge upon the central government to direct the Medical Council of India to permit one year's internship to those students, who have completed medical course of five years as was being allowed earlier.

(ii) Need to provide civic amenities in Railway colonies in Delhi

SHRI JAI PRAKASH AGARWAL (Chandni Chowk-Delhi) : Sir, the basic civic amenities in the Railway Housing colonies in Delhi are not adequate. There are no proper roads, sewer system and arrangements for electricity and drinking water in these railway colonies. Due to lack of civic amenities the allottees of these railway colonies are facing great difficulties. These houses are in a dilapidated condition and no attention is being paid towards their maintenance. There is uncleanness in these railway colonies which is adversely affecting the health of residents. As a result of it, a number of residents of colonies had died of dengue epidemic.

I, therefore, request the government to take immediate steps to provide basic civic amenities like sewer system, electricity, roads, drinking water and for scavenging etc in railway colonies of Delhi. A monitoring committee should also be constituted for maintenance of these houses and adequate funds may be provided on priority basis for undertaking repairs of those houses which are in dilapidated condition.

(iii) Need to clear the proposal of State Government of Orissa for Augmenting the supply of Water to the Water Scarcity areas of Sonepur District

[English]

SHRI K.P. SINGH DEO (Dhenkanal) : Sir, Dhenkanal District, Angul District and Birmaharajpur Subdivisions of Sonepur District in Orissa are chronically water scarcity areas even in normal times. The problem gets worse during the droughts, floods and cyclones which have been the constant companions for the last three and a half decades.

In order to augment the water supply and to mitigate the water scarcity, the Regional Piped Water Supply Scheme has been prepared by the Government of Orissa,

Housing and Urban Development Department, for the areas of Talchar, Angul, Mehramundli, including 161 villages in the polluted Brahmani river basin; Dhenkanal the District Headquarters town, and Bhuban NAC; covering a population of 2.5 lakh at an estimated cost of Rs. 139.30 crore. The State Government have sent a proposal to the Ministry of Urban Affairs and Employment, Government of India, in June, 1995 and modified projects after discussion with Japanese OECF Fact-finding Mission on 23rd February, 1996.

The Government of Orissa have also submitted proposals for augmenting the water supply to Kamakhyanagar, Angul and Athmallik NAC under Augmented Urban Water Supply Scheme in the Dhenkanal and Angul Districts respectively costing Rs. 2.37 crore, Rs. 1.93 crore and Rs. 1.93 crore respectively.

I, therefore, strongly urge upon the Government of India to take up and complete the works expeditiously and urgently to mitigate the sufferings of a segment of long suffering population. Necessary fund allocation may be made for implementing those drinking water projects during the current financial year.

(iv) Need to look into irregularities in implementation of Employment Assurance and Literacy schemes in Jahanabad constituency, Bihar

[Translation]

SHRI RAMASHRAYA PRASAD SINGH (Jahanabad) : The literacy Mission and Labour Assurance Employment Scheme run by the Union Government in the Jahanabad Parliamentary constituency in Bihar is not being implemented properly. On the propagation and other activities of Literacy more than two crores of rupees have been spent but in reality desired results have not been achieved. In my area, militant organisation is fast spreading. Therefore, in this area development works should be undertaken on war-footing. But the funds sent by the Union Government still is not being used properly.

Therefore, I request the Union Government to order an enquiry regarding the expenditure incurred in both of these schemes by Vigilance Department and stern measures be taken to implement these schemes properly.

(v) Need to connect Satna city in Madhya Pradesh by Air

SHRI SUKHLAL KUSHWAHA (Satna) : Mr. Deputy Speaker, Sir, Satna district in my Parliamentary constituency has now become a big industrial centre. This area is the largest producer of cement in Asia. Apart from cement, lime, ochre (greu) and 'ramraj' are exported in a large

quantity from this area. Many people visit the area from commercial point of view to explore the possibility of setting up their own units in Satna. But till now this Satna city has not been linked with Air service which is very essential. Sometime back air service was available here but that time industrial development was not good. Due to this passengers were not available. But today situations have changed.

The Central Government is requested to connect Satna city with air service at the earliest to boost the industrial development.

(vi) Need to ensure payment of wages to the workers under Central Schemes in Mandala, Madhya Pradesh

SHRI FAGGAN SINGH KULESTE (Mandala) : Mr Deputy Speaker, Sir the employment assurance scheme and Tribal subplan (Special central assistance) have been in operation in my Parliamentary constituency Mandala in Madhya Pradesh since long through which many departmental construction work have been undertaken in the district. Lakhs of workers have been given slips under 'food for work scheme' but no payment in terms of money or food has been made to them for last one year. The administration has been apprised of the situation even then the poor tribal workers of district Mandala have not been paid against food slips.

The Central Government is requested that these tribal workers should either be paid in terms of money or in terms a food at the earliest.

12.18 hrs

**INSURANCE REGULATORY AUTHORITY
BILL - Contd.**

MR. DEPUTY-SPEAKER : The Minister of Finance may reply.

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : Mr. Deputy-Speaker, Sir, I am deeply grateful to the hon. Members who have participated in this debate and who have made a number of valuable suggestions. My reply will be very brief because the purpose of this Bill is very limited.

As you are aware, the Malhotra Committee on reforms in the insurance sector gave a very comprehensive Report. Insofar as it concerns the present Bill, we are now dealing with the recommendations contained in Chapter 10 of the Report which is titled 'Regulation of Insurance Business'. Chapter 12 deals with restructuring of the insurance

industry. There are other chapters dealing with other aspects of the insurance industry. In its Report, the Malhotra Committee said the following on regulation of insurance business. Now, I would like to read just a few lines:-

"Insurance is a business of large numbers and generates large volume of funds over a time. These funds are required to be invested prudently with the triple objectives of maximisation of yield, safety and liquidity. It is also necessary that entities intending to take up the business of insurance had adequate professional capability and financial solvency. Insurers everywhere are, therefore, subject to regulation by the State in some form or the other whose objective is that the business is run fairly and is conducted by competent persons does not result in undue losses to insurers themselves, resulting in their insolvency. And last but not the least, protects and legitimate interests of insuring public.

All regulatory arrangements try to create systems whereby alarm signals are triggered in good time in respect of insurance institutions drifting towards mismanagement and insolvency so that timely, corrective steps could be applied."

Then, after tracing the history of regulation of insurance in this country, referring to the Indian Life Insurance Act of 1912, Insurance Act of 1938, creation of the office of Controller of Insurance and then, how the office was diminished, the report concludes:

"The Controller office started shrinking in all respects. The Controller and Assistant Controller are now part of the Insurance Division of the Ministry of Finance and perform a few residual functions under law which are not of much importance. These developments have also created some functional anomalies. The powers and position of the Controller of Insurance have undergone a drastic curtailment after nationalisation of the insurance industry. There are, however, operations which require professional regulations even in the nationalised insurance sector, particularly in areas relating to expenses, customer's service, claim settlement, resolution of disputes, reasonableness of tariff and prevention of restricted trade practices.

Having regard to both the present and future scenarios, the Committee is of the view that the office of the Controller of Insurance should be restored its full statutory powers and segregated from the Ministry of Finance, as a matter of high priority. In due course, the insurance regulatory authority be set up as a multi-member statutory body similar to the Securities and Exchange Board of India.