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Title: Need to protect the interests of insurance industry while allowing FDI in insurance sector.

SHRI PONNAM PRABHAKAR (KARIMNAGAR): I would like to draw the attention of the Government regarding the dire need to protect the overall interests of the insurance industry in view of the Government's move to increase the FDI limit in Insurance sector to 49%.

Recently Union Cabinet cleared FDI in insurance up to 49% through automatic route. This move will adversely affect the nation's economic health and its sovereignty in the long run throwing the country's economy into chaos. The implication of allowing easy entry for profit-seeking players on financial stability of the country is underplayed as these players are known to adopt practices that have had adverse consequences even in the developed markets. It is the pertinent worry among the general public and in insurance industry that the increase in FDI limit will increase the influence of MNC companies and strengthen their resolve to stay somehow in the market by resorting to unethical market interventions through their products and practices.

The general public and the insurance industry are of the firm opinion that the increase in FDI will neither benefit the Indian economy nor the Insuring public. Instead, increase in FDI will derail the Indian economy, destabilize the insurance industry, throw to wind healthy practices built over the years and dent the people's trust in savings. Such move is ill-conceived and not in the interest of economy or the nation. Hence, I request the Government, to see and ensure that the interests of the insurance industry are protected while allowing the FDI in Insurance without compromise at any stage.