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Title: Discussion on motion to consider Statutory Resolution regarding Disapproval of Insurance Laws (Amendment) Ordinance, 2014 (No. 8 of 2014) and Insurance Laws (Amendment) Bill, 2015 (Statutory Resolution-Negativated and Government Bill-passed).

HON. DEPUTY SPEAKER: Now, lobbies may be opened. We shall take up Item nos.15 and 16.

Hon. Members, before we take up combined discussion on Item Nos.15 and 16, we have to allot time for the Statutory Resolution and the Insurance Laws (Amendment) Bill, 2015. If the House agrees we may allot two hours for it.

SEVERAL HON. MEMBERS: Yes.

HON. DEPUTY SPEAKER: Okay. Now, Shri Jayadevan.

SHRI C.N. JAYADEVAN (THRISSUR): I beg to move:

"That this House disapproves of the Insurance Laws (Amendment) Ordinance, 2014 (No. 8 of 2014) promulgated by the President on 26th December, 2014."

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): I beg to move:

"that the Bill further to amend the Insurance Act, 1938 and General Insurance Business (Nationalisation) Act, 1972 and to amend the Insurance Regulatory and Development Authority Act, 1999, be taken into consideration."

SHRI C.N. JAYADEVAN: Hon. Deputy-Speaker, Sir, the Insurance Laws (Amendment) Ordinance, 2014 was promulgated on 26th December, 2014 just after a day of the adjournment of the last Winter Session. Actually, Insurance laws (Amendment) Bill, 2014 was already there in the Rajya Sabha which was approved by the Select Committee. But the Government could not take up the Bill for consideration in that House knowing well that there are serious differences about the very motive of passing the Bill allowing to raise the foreign equity investment cap in insurance sector from 26 per cent to 49 per cent. For the same reason the Insurance Laws (Amendment) Bill 2008 has been held up for nearly six years. In fact, the BJP ironically was the vociferous opponent of the Bill in the last Lok Sabha.

Sir, since 1956 when the Life Insurance was nationalized by paying just Rs.5 crore to the then private companies, the LIC has proved to be a gold mine for the Union Government. It has given to the Central Government hefty amounts in recent years and it has made considerable investments in various public sector undertakings. It defies logic why in such a situation the Central Government should welcome FDI in insurance, resulting in a loss to the LIC which will have to share premiums paid by Indian citizens to foreigners, unless it is a commitment given by Modi on his US visit.

Moreover, the raising of FDI in the insurance sector will encourage privatization in the sector which may be detrimental to the interest of the consumers. It is said that claims were turned down on a large scale in the private sector. While LIC paid about 99 per cent of death claims repudiating only one per cent of claims, the private sector companies repudiated 7.85 per cent of claims in 2012-13.

Sir, so much is the desperate attempt to woo foreign investors that the Union Government came out with a complex version in the Press that even if the Ordinance was not approved by Parliament, foreign investment made during the Ordinance period would remain valid and irreversible. Accordingly, the Government has already notified rules to implement the decision to increase foreign direct investment limit in the insurance sector to 49 per cent. This position is legally unsound because unless Parliament passes the law by endorsing the Ordinance, all actions under the Ordinance would be unconstitutional.

The Government has promulgated this Ordinance and introduced a fresh Bill in this House while a similar Bill is pending in the Rajya Sabha. This is unfair and unconstitutional. Hence, I, on behalf of my Party, the Communist Party India, strongly oppose the Ordinance and the Bill. Thank you.

HON. DEPUTY SPEAKER: The Minister's reply will be in the end.

PROF. SAUGATA ROY (DUM DUM): Sir, let him reply at the end.

HON. DEPUTY SPEAKER: Okay. Now, Prof. Saugata Roy.

...(Interruptions)

HON. DEPUTY SPEAKER: The Minister will reply in the end.

...(Interruptions)

HON. DEPUTY SPEAKER: Motions moved:

"That this House disapproves of the Insurance Laws (Amendment) Ordinance, 2014 (No. 8 of 2014) promulgated by the President on 26th December, 2014".

"That the Bill further to amend the Insurance Act, 1938 and General Insurance Business (Nationalisation) Act, 1972 and to amend the Insurance Regulatory and Development Authority Act, 1999, be taken into consideration."

PROF. SAUGATA ROY : Sir, I shall be very brief as I have to catch a plane.

HON. DEPUTY SPEAKER: Whether you have to catch a flight or not, you will speak.

PROF. SAUGATA ROY: Sir, on behalf of my Party, we have always been opposed to the Insurance Laws (Amendment) Bill. The main part of the Insurance Laws (Amendment) Bill is the raising of foreign equity investment cap in insurance sector from 26 per cent to 49 per cent. This allowing of FDI in a big way in the insurance sector is something that is against the interest of the country. Hence, I oppose it.

15.22 hrs (Shri Hukum Singh *in the Chair*)

It is very ironical that what father proposes the son disposes. In 2011, the Standing Committee on Finance in the Parliament headed by Shri Yashwant Sinha recommended not to increase FDI limit in the insurance sector. This is what is happening in the BJP. The senior generation's prescriptions are being overruled by the junior section, and Mr. Yashwant Sinha's recommendation is being totally ignored by young Mr. Jayant Sinha.

It has been mentioned that this law is made in bad taste and undue haste. It is because this Insurance Bill was all along the property of the Rajya Sabha. Firstly, the UPA – II Government brought this Bill; then it went to the Standing Committee on Finance; the Standing Committee on Finance gave its Report in 2011; then again after the new Government came into power in August 2014, a Select Committee of Rajya Sabha was formed; and that Select Committee gave its Report.

Earlier, there were 88 Amendments proposed by the Standing Committee on Finance. Then, 11 more Amendments were proposed. So, all together, 99 Amendments were there, and the Select Committee presented the Report. It could not be passed in the Rajya Sabha. Just imagine, that on 23rd December the Parliament adjourned, and on 26th December this Ordinance was promulgated. Is it not going behind the back of the Parliament? On 24th itself the Cabinet took the decision, and on 26th the Ordinance was issued. Who are we sending a signal to that we shall implement FDI in insurance no matter what Parliament thinks? This is not good. How does the junior Finance Minister ensure that this time it will be passed in the Rajya Sabha? So, anybody you might have invited will have to go back empty-handed. I strongly oppose this form of legislative practice of going behind the back of the insurance sector.

Sir, let me also tell you that the private sector, let alone the FDI, in the insurance business has not performed well. It was in the wake of the Mundhra scandal that LIC was nationalised during Pt. Jawaharlal Nehru's Prime Ministership in 1957, and it was during Mrs. Gandhi's Prime Ministership that the General Insurance business was nationalised in 1973.

Now, in 1999 when the NDA Government was there, they brought the New Insurance Act which opened general insurance to the private sector. IRDA was formed at that time. They had allowed the private sector into this industry.

Now, Sir, what has happened? I tell you something. We may compare the performance of LIC with that of the private sector. Of course, this Bill does not concern LIC directly, but by 2014, LIC enlisted more than 30 crore policyholders and generated more than Rs. 16 lakh crore of investible funds.

SHRI N.K. PREMACHANDRAN (KOLLAM): There are 11 lakh LIC agents.

PROF. SAUGATA ROY: There are 11 lakh LIC agents. LIC today commands 85 per cent of the policy-market and 75 per cent of the total premium collected. LIC is a public sector organisation. It has performed commendably in the insurance sector.

Now, if you compare LIC lapsing with that of the private industry, there is more than 99.7 per cent settlement of maturity claims and more than 99 per cent of death claims. That is the performance of the LIC. What is the rate of policy lapse in the private sector? In Birla Sun Life, lapse is 51 per cent. In Future Generali, it is 49 per cent. In ICICI Prudential, it is 42 per cent. It is 38 per cent in Reliance and 36 per cent in Bharti AXA. It means that they pay one premium and their money is forfeited by insurance companies. Now, you want more private sector and FDI in insurance sector.

I can understand it about the life insurance sector because life insurance is a long term investment. So, you can invest money in life insurance as long term infrastructural means. I can even understand if FDI comes into infrastructure sector to build huge roads, bridges, ports etc., but GIC is mainly in health insurance, motor car insurance, shop insurance against theft. These premiums are for one or two years. How are we going to gain if FDI comes in? It gives you no special privilege. It basically involves small savings and in general insurance, only a short period of one year or so is involved. So, the purpose of generating long term investment funds is not possible in the general insurance sector.

Sir, the other thing is that when they say enhancement of FDI limit, it assumes that there is a lack of funds in this sector. The assumption has

no basis in the sense that business is in the hands of high-end business houses and also insurance business has no link up between investment and volume of business. For instance, Bajaj Allianz has a total capital investment of Rs. 4,800 crore and premium income of Rs. 6,893 crore. SBI Life, which is in the public sector, has premium income of Rs. 10,450 crore with capital and reserves of Rs. 2,710 crore. What does this prove? This proves that if you have more investment, it does not mean that you will generate more premium income also.

This whole logic of the Government in pressing ahead with FDI in insurance sector is fraught with dangerous consequences because in case of FDI, they take out more money than they actually put in. They will invest something and quickly take out more money because that is their policy.

Sir, the other thing I want to mention to the Minister is that LIC employees have gone on strike against this FDI in insurance. The whole functioning of insurance agents has been taken out of law and it has been put in the hands of IDRA. When a person's car is damaged, he will have to first go to a surveyor, who will assess the loss. Now, their business has also been taken out of the ambit of the law. Who is this meant to help?

Some BJP leader was telling me that big investment will come in the health sector. You can never depend on foreign companies to really help out in health insurance sector. Mostly, the insurance companies are cheating people. In the health sector, they say that they will provide cashless treatment, but later they say that the claim is not tenable.

Sir, may I request the young Minister not to press with this Bill. In any case, it will get stuck in Rajya Sabha. So, let him show the broadness of vision. Let him legislate on the insurance sector as a whole, including life insurance. Let him not allow the FDI to infiltrate into this very vital sector of the economy. Thank you.

डॉ. रमेश पोखरियाल निशंक (हरिद्वार): माननीय सभापति महोदय, मैं आपके माध्यम से मंत्री जी को यह महत्वपूर्ण संशोधन विधेयक लाने के लिए बधाई देना चाहता हूँ। अभी श्री सौगत राय जी बैठते तो मुझे बहुत अच्छा लगता। उन्होंने कुछ बातें उठाई थीं, तो उनको सुनना भी चाहिए था। मैं समझता हूँ कि यह विधि आयोग के परामर्श से लाया गया है। यह नया नहीं है, यह वर्ष 1938 के बिल को परिवर्तन करने के लिए लाया गया है। चाहे वह 1 जून, 2004 का रहा हो, वर्ष 1938 के निश्चक उपबंधों को हटाने और नये उपबंधों को जोड़ने का रहा हो, चाहे 7 मार्च, 2005 को गठित के.पी.एन. समिति का रहा हो, चाहे 26 जुलाई, 2005 को अपनी रिपोर्ट प्रस्तुत करने का विषय रहा हो, चाहे वर्ष 2006 में विधि संशोधन विधेयक तैयार करने का विषय रहा हो, चाहे उसके बाद मंत्रिमंडल में जाने का विषय रहा हो, 22 दिसम्बर, 2008 को विधेयक राज्य सभा में पुनर्स्थापित होता है, फिर वित्त समिति को जाता है। 13 दिसम्बर, 2011 को समिति अपनी रिपोर्ट भी प्रस्तुत कर देती है। 14 नवम्बर, 2012 और उसके बाद समय-समय पर आने वाले और उस पर भी 88 संशोधन रख दिये जाते हैं। इतना ही नहीं, 14 अगस्त, 2014 को डॉ. चन्दन मित्रा जी की अध्यक्षता वाली समिति भी अपनी रिपोर्ट को प्रस्तुत करती है, तो मैं समझता हूँ कि वर्ष 2002 और वर्ष 2004 से लेकर अभी तक उसकी कवायद हो रही है और लगातार इसे इस दिशा में प्रस्तुत होना चाहिए। उसके बाद वर्ष 2014 को अध्यादेश अनुमोदित हुआ और राष्ट्रपति जी ने 26 दिसम्बर, 2014 को जो अध्यादेश प्रवृत्त किया है, उसी को माननीय मंत्री जी इस संशोधन के साथ इस सदन में लाये हैं। मैं उन्हें बहुत बधाई देना चाहता हूँ। मैं इसलिए भी बधाई देना चाहता हूँ कि इस देश में जो बीमा क्षेत्र है, उसमें निवेश 26 प्रतिशत से बढ़ाकर 50 प्रतिशत करने की जरूरत थी। श्री अटल बिहारी वाजपेयी जी की सरकार में वर्ष 1999 के बाद, इन चौदह सालों में कुछ नहीं हुआ। केवल छः एजेंसियाँ थीं और उसके बाद जो हुआ, उसमें जब निजी क्षेत्र के लोगों को इस क्षेत्र में लाया गया, यदि उन दोनों की समीक्षा की जाए, तो उसमें जमीन और आसमान की समीक्षा होती है। मैं यह समझता हूँ कि इस निर्णय से, जो बीमा नियमन प्राधिकरण है, को अधिकार मिलेगा। ग्रामीण क्षेत्रों में बीमा कंपनियों को बढ़ाने की कवायद को बल मिलेगा और इतना ही नहीं, कई बार मैं समझता हूँ कि श्री सौगत राय जी दुनिया की बातें करते हैं, लेकिन वया यह सच नहीं है कि भारत केवल ऐसा देश है, जो बीमा के क्षेत्र में बहुत पिछड़ा हुआ है। यदि कोरिया, ताईवान, मैक्सिको आदि देशों में बीमा क्षेत्र में शत-प्रतिशत विदेशी एजेंसियों को छूट है, मलेशिया में 70 प्रतिशत है, फिलिपींस में 51 प्रतिशत है, चीन ने 50 प्रतिशत तक निवेश करने की अनुमति दी है।

विश्व की तुलना में भारतीय बीमा क्षेत्र में वृद्धि बहुत ही कम है। ऐसी स्थिति में बीमा क्षेत्र में विदेशी निवेश आने से कंपनियों में प्रतिस्पर्धा बढ़ेगी। जब प्रतिस्पर्धा बढ़ेगी तो इन कंपनियों के माध्यम से सामाजिक सुरक्षा का एक नया आयाम दिखा जा सकेगा। वया हमें आज यह मातूम नहीं है कि भारत में केवल 20 प्रतिशत लोगों को भी अभी तक बीमा उपलब्ध नहीं है, जबकि अमेरिका 90 प्रतिशत लोगों को सामाजिक सुरक्षा और बीमा दे रहा है। इसके अतिरिक्त, इसके आने से उच्चतम प्रौद्योगिकी और संयुक्त उपकरणों के माध्यम से हम बहुत आगे बढ़ सकेंगे, वैश्विक स्तर पर कामकाज को बढ़ावा मिलेगा, जिसके चलते इस क्षेत्र में जवाबदेही और पारदर्शिता होगी एवं बेहतर निगरानी तंत्र की स्थापना हो सकेगी। अभी माननीय सदस्य आदरणीय सिन्हा जी की चर्चा कर रहे थे, मैं कहना चाहता हूँ कि वर्ष 1999 में जब संसद की वित्त संबंधी स्थायी समिति के सभापति आदरणीय सिन्हा जी थे, उस समय उन्होंने कहा था:

"पूरी दुनिया में प्रगति हो रही है, फिलाने ही प्रकार के बीमा उत्पाद विभिन्न देशों में उपलब्ध हैं, परन्तु दुर्भाग्य से हमारे देश में वे उपलब्ध नहीं हैं। देश में बड़ी जनसंख्या को स्वास्थ्य बीमा से कवर किया जा सकता है, बीमा कंपनियाँ असंगठित क्षेत्र के मजदूरों को पेंशन उपलब्ध करवा सकती हैं, जिन लोगों के पास सामाजिक सुरक्षा नहीं है, उन्हें बीमा कंपनियों द्वारा लाभ पहुंचाया जा सकता है; इसके लिए हमें बीमा क्षेत्र को खोलना होगा।"

यह बात उन्होंने कही थी। इतना ही नहीं, चार अक्टूबर, 2012 को पी. चिदम्बरम जी ने कहा था कि बीमा क्षेत्र में पूंजी की बढ़ती हुई आवश्यकता को देखते हुए विदेशी निवेश की नितान्त आवश्यकता है।

महोदय, लगातार इस क्षेत्र में लोगों ने अपनी सहमति, टिप्पणियाँ और सुझाव दिए हैं। उन सुझावों को यदि यह सरकार राष्ट्र की प्रगति के लिए एक प्रारूप के रूप में ला रही है तो मैं समझता हूँ कि यह स्वागत योग्य है। जन-यन योजना का जो विषय है, इस देश में प्रधान मंत्री जन-यन योजना में लगभग 100 दिनों में लगभग 12.5 करोड़ लोगों तक पहुंच गयी तो इतने बड़े देश में अंतिम छोर तक के व्यक्ति को कैसे बीमा मिले, कैसे उसके लिए सामाजिक सुरक्षा की व्यवस्था हो, यह बहुत जरूरी है और यह तभी संभव है, जब यहां विदेशी निवेश आएगा। इससे नौकरियाँ सृजित होंगी, विदेशी निवेश से देश में रिस्क मैनेजमेंट की उच्चतम परम्पराओं को हम स्थापित कर सकेंगे। उद्योग जगत ने भी इसको अपना समर्थन दिया है। विशेषकर नियामक एजेंसी के सभापति जे.हरिनायण जी ने भी कहा है कि विदेशी निवेश की परम आवश्यकता है। वर्तमान में देश में लगभग 52 बीमा कंपनियाँ हैं, उनमें से 14 जीवन बीमा और 28 गैर-जीवन बीमा क्षेत्र में हैं। 125 करोड़ की आबादी वाले देश में यह ऊंट के मुँह में जिर्रे के समान है। मैं समझता हूँ कि एल.आई.सी. के द्वारा बहुत काम हुआ, लेकिन जब प्रतिस्पर्धा होगी तो यह काम बहुत उंचाइयों तक जाएगा और विदेशी निवेश के आने से और जो उपबंध माननीय मंत्री जी लाए हैं, उससे इंश्योरेंस वलेम के भुगतान में होने वाला विलंब कम होगा। दुर्घटना होने के दो साल-तीन साल तक पैसा नहीं मिलता था। इस पर अब समय की पाबंदी होगी और एक निश्चित अंतराल के अंदर पैसा मिलेगा। बीमा उत्पादों का नवीनीकरण भी होगा, प्रभावी वित्त नियंत्रण प्रणाली का विकास होगा और गांवों एवं शहरों में बीमा कंपनियों का जाल बिछाने से वहां उनके कार्यालय खुलेंगे, रोजगार बढ़ाने में मदद मिलेगी और प्रत्यक्ष-अप्रत्यक्ष रूप से रोजगार के लाखों अवसर पैदा होंगे। इससे बीमा से अछूते देश के 80 प्रतिशत से भी अधिक लोगों को बीमा क्षेत्र से जोड़ने में सहायता मिलेगी। राष्ट्रीय और अंतर्राष्ट्रीय प्रतिस्पर्धा के चलते बीमा क्षेत्र में बैंकिंग क्षेत्र की तरह ग्राहक सेवा के उच्चतम मानदण्ड हम स्थापित कर सकेंगे। जब बैंकों में ऐसा हुआ था, तब भी कुछ लोगों ने विरोध किया था, इसलिए मैं यह समझता हूँ कि यह बहुत अच्छा संशोधन है और इसके लिए मैं मंत्री जी को बधाई देना चाहता हूँ।

DR. SHASHI THAROOR (THIRUVANANTHAPURAM): Mr. Chairman, Sir, I must say that looking at the empty Treasury Benches I can say that instead of addressing the Members of this House I am addressing the embers of this House.

Anyway, it is clearly a Constitutional anomaly, Mr. Chairman, that the Government has sought to introduce in this House this Insurance (Amendment) Bill which is similar to the Bill pending in the Upper House, the Rajya Sabha. Both the Bills have exactly the same context and introduced for exactly the same purpose of reforming the insurance sector in our country.

I mentioned the word Constitutional here because the Government by doing so has really acted contrary to the simple and express provisions of article 107 of the Constitution of India which enunciates the procedure for passing a Bill. Article 108 further describes a situation where the Bill has been passed by one House and has to be transmitted to the other House. Our Constitution clearly intended that the Bill can only be transmitted from one House to the other after passing it in one House.

Here you have got a Bill stuck in one House and being offered to the other House. This is simply not correct in terms of Constitutional practice, Mr. Chairman. So, when the Rajya Sabha has not yet passed the Insurance (Amendment) Bill, how is it that we can attempt to pass it in this House? The Government's position is that since the Rajya Sabha Bill is dated 2014 and the Lok Sabha Bill is dated 2015, technically it is a different name and a different Bill.

We have always known that this Government, Mr. Chairman, is a name-changing Government and not a game-changing Government. Nonetheless, the content of both the Bills is the same. That Bill, therefore, remains the property of the Rajya Sabha and it cannot be discussed in this House if we are to uphold the authority and the power of the Council of States. Or, are we to believe that the Government thinks it has attained supremacy over both the Houses of Parliament? It is a serious question, Sir, because the Government's inability to pass the Bill in the Upper House has pushed us into an unnecessary deliberation which, as you can see, most of the Members are boycotting.

I do not know whether I should consider this Bill with the sincerity and the seriousness that is required by such an issue because the Government may eventually choose to withdraw this Bill and adopt the version pending before the Rajya Sabha.

DR. A. SAMPATH (ATTINGAL): Mr. Chairman, Sir, the House lacks quorum. My friend is delivering a speech. Who is it addressed to? Even the Treasury Benches are vacant. There is no quorum in the House. The House lacked quorum when my friend started his speech, the House lacks quorum now, and in future also the House would lack quorum.

DR. SHASHI THAROOR: Sir, let us waive the quorum because I have a flight to catch also. *(Interruptions)*

DR. A. SAMPATH: It is not my duty to ensure quorum. It is their duty to ensure quorum.

HON. CHAIRPERSON: Quorum is complete. Nothing of what he says now will go on record.

(Interruptions) ❌

DR. SHASHI THAROOR: Since we have decided to go ahead with the debate I will now proceed, Mr. Chairman, to make my argument.

We all know that insurance is a multidimensional feature, it achieves a social purpose, it produces a new source of capital for our country for developing financial institutions, it mitigates risk and motivates people to venture into unexpected territory. All of this is fine.

I am surprised that the Treasury Benches have not yet traced the roots of insurance to the Manusmriti, the Dharmashastra and the Arthashastra because had they done so they would have been right in doing so. The ancient texts mention the practice of pooling resources for redistribution during calamities such as fires and floods and so on. Of course the modern day insurance system would not bear much resemblance to its ancient counterpart, but the idea remains the same.

Insurance is about safeguarding the interests of the people from loss and uncertainty by spreading risks over a large number of people. This is something which is obviously vital for the growth of our economy for it channelises large resources for infrastructure and industrial development and strengthens the risk-taking abilities of a country. It is a source of employment, it creates additional jobs, and it helps us raise capital for new ventures.

I want to talk about the need for medical insurance because rising medical costs in our country have created a great deal of understandable alarm. Frankly, Mr. Chairman, the truth is that there is a double tragedy in our country. Many people are bankrupted by illness. They are first laid low which reduces their earning capacity, and then they lose their savings to treat the illness. So, health insurance is extremely important because you want to prevent your working population from being burdened by extreme debt.

Yet, 90 per cent of our population has no health insurance. In fact 70 per cent of the total expenditure on health in this country is made by individuals. So, the need to strengthen the sector is self sufficient. This is why the UPA Government came up first of all with our version of this Bill.

The Indian insurance industry has entered a state of unrest. It is marred by slow growth, rising costs, deteriorating distribution structure, and stalled reforms. And that is why in 2008 we brought in an Insurance (Amendment) Bill to the Rajya Sabha. It was then criticized by the then principal opposition party now occupying the Treasury Benches. They wanted us not to reform the insurance sector. Frankly, this is the politics of opportunism, not the politics of principles. Today, we see the same people sitting in the Government not only accepting our reforms but also introducing a Bill to implement them and more. So where you stand depends on where you sit. Now that they are sitting there, their stand has changed.

This Government, while in opposition, had repeatedly opposed the FDI in the insurance sector and they said they were safeguarding the interests of the people. Now apparently the same interests of the same people are no longer relevant to this Government because they are pushing not one but two Bills to put FDI in the insurance sector, one in each House. It seems that suddenly the inflow of foreign funds and balance sheets of the insurance companies are more appealing to the BJP than their previous convictions.

I do want to say that I have no problem with the principle of FDI in insurance. Increasing the FDI to 49 per cent from 26 per cent was our proposal as well. We wanted to bring in more capital into the insurance sector. Because of the fact that thanks to the reforms that had already come into the sector, the number of insurance companies has gone up from 9 nationalized companies in 1999 to 53 companies by 2014. All the reforms that we wanted to bring in could have been brought in, had this party now sitting in the Treasury Benches not opposed and obstructed the UPA's Bill for 6 years. What they have done, however, is that they have taken our Bill and added about 100 unnecessary amendments to it. It has now been repackaged as the NDA's Insurance Bill. This Government is very good at repackaging.

They also want to permit Foreign Institutional Investments besides increasing the FDI limit. This combination is troubling. The Foreign Institutional Investment remains an extremely volatile form of foreign investment. It is a speculative form of foreign investment. Portfolio investments can be liquidated at very short notice and repatriated immediately. The FIIs in fact are rather like financial tourism. They can come and go whenever they like on short-term visas. Can the country afford this? The fact is that the funds under FIIs generally flow into a secondary market. Therefore, they may not specifically ensure availability of capital for insurance sector in comparison to FDI which will directly boost the insurance companies. So, we argued in the UPA's Bill that it is enough for the insurance companies to raise money through the FDI route alone and the need for FII does not arise. Putting both FII and FDI together raises troubling question because it leaves Indian markets vulnerable and subject to global insecurities and instabilities which we had resisted in the past. After all, this very point was made by the BJP's own hon. Shri Yashwant Sinha- Mr. Pokhriyal has already quoted him- in May 2012 and I commend him to his son, the young Minister sitting before us, to kindly consult his paternal wisdom here. We actually had survived the stress and strain of the global financial crisis of 2008 onwards because we had actually resisted managing to link these things together. We reduced the vulnerabilities to the international market. What the BJP Government is doing is adding risk without any accurate or reliable estimate or possible reward.

Meanwhile, they have gone into tremendous paradox because they have loosened this whole thing in one area which means the worst of both worlds because they have large FIIs for instance, but on the other hand, they are tightening too much because they are defeating the very purpose of the Bill by introducing new restrictions that were not there in the UPA's Bill. I will give you a couple of quick examples. They brought in restrictions for foreign investors. They are insisting now on full Indian management. The foreign shareholders cannot appoint CEOs. They are supposed to bring in money but have no say in the company. I want to know whether the foreign shareholders will be willing to pump in investments without any control seems to be a dubious possibility. Then they have actually required that insurance companies have to pay annual fee to the Insurance Regulatory and Development Authority and if there is any failure to do so, immediately their registration certificate will be cancelled. But then what will happen to those people who are insured by these companies?

HON. CHAIRPERSON: Please conclude now.

DR. SHASHI THAROOR: The point is, the BJP Government is not thinking about the people. I have barely spoken 6-7 minutes. I was supposed to have much more for my party to initiate this debate. ...(*Interruptions*)

SHRI MALLIKARJUN KHARGE (GULBARGA): He has set in the debate and you allowed and there is nobody to talk. At least the hon. Members in the Government should listen to our suggestions. We know that अगर हम ना बोलेंगे तो भी यह बिल पास हो जाएगा और हां बोलेंगे तो भी पास हो जाएगा। इसलिए आप कम से कम हमारी बात तो सुनिए। I just want to say that they have got to be sensible about the restrictions that they are imposing.

HON. CHAIRPERSON: I have done my duty. Let him speak.

DR. SHASHI THAROOR: One additional risk is that there is no guarantee that FDI and FII investments will constitute new money or fresh infusion of capital into the insurance. What protection Mr. Minister can you build into the law to ensure that FDI just does not become an opportunity for allowing the existing Indian shareholders to make a quick buck by selling their shares to foreigners and exiting? What we need to do is to ensure that FDI and FII is only limited to additional shareholders or new capital that is coming into the insurance industry. All of these provisions, I would urge the Minister to consider.

I am skipping some other points but I am happy to pass them on to him. But I do want to warn him about the punitive attitude he has embedded into this Bill - the drastic increases in the punishments, the fine applicable, the imprisonment term for certain contraventions under the Act - I have got a number of details of sections that have listed all this - the upper limit of the penalty going to Rs. 25 crore from Rs. 5 lakh. It was Rs. 5 lakh in the UPA's Bill but Rs. 25 crore in theirs. These are not justifiable in terms of the nature of the offences. I would urge the Minister to review the proposed fines to ensure that the penalty actually serves as an effective deterrent and does not force the perpetrators to invariably appeal against the order of the penalising authorities, as a high appeals rate will only cost the exchequer more and not help the Government to raise revenues through fines. ...(*Interruptions*)

HON. CHAIRPERSON: Please conclude. I have to call the next hon. Member to speak.

...(*Interruptions*)

DR. SHASHI THAROOR: I will conclude in two minutes. ...(*Interruptions*)

The minimum equity capital for health insurance has been raised to Rs. 100 crore but as I had explained earlier we need more Indians to have health insurance. Do we want more Indians to be bankrupted by illness? The Government must think about the people of this country. The equity capital requirement could have been maintained at Rs. 50 crore as in the UPA's Bill similarly in order to make it easier for insurance companies to come into health insurance. ...(*Interruptions*)

HON. CHAIRPERSON: Please conclude now. I am going to call Dr. P. Venugopal.

...(*Interruptions*)

DR. SHASHI THAROOR : I am making my last point. ...(*Interruptions*)

Just to stress, having done all of this, they could have actually strengthened the regulatory side instead. The IRDA could have been given the powers to make necessary regulations in consultation with the Medical Association. They have not thought of that. That could be a simple doing.

They have an inadequate appellate authority. The Securities Appellate Tribunal is the body they have appointed to hear appeals but they have not provided for any insurance experts on this Tribunal. So, how will the purpose of actually having appeals on insurance work when the SAT has no one there? There is no relevant expertise on the panel.

I hope the Government will consider these suggestions. I am happy to give more details to the Minister since you have cut my time short, Mr. Chairman, but I have to concede that though we were in favour of the substance and of the principles of the Bill, the problems pointed out by us will make it very difficult for us to support the Bill in its current form. ...(*Interruptions*)

HON. CHAIRPERSON: Dr. Shashi Tharoor, please conclude. I have called another hon. Member.

...(*Interruptions*)

DR. SHASHI THAROOR: I just want to stress that for the reasons I have summarised in my very brief interventions we are unable to support this Bill in the form in which it has been presented to the House.

Thank you, Sir.

DR. P. VENUGOPAL (TIRUVALLUR): Mr. Chairman, Sir, I thank you for the opportunity given to me to speak on this important Bill to amend the insurance laws. This will have far-reaching consequences for the insurance sector in our country. That is why we have been waiting for a long time to bring these amendments.

15.53 hrs (Hon. Deputy-Speaker *in the Chair*)

As far as the AIADMK is concerned, we are for saving our public sector undertakings and saving the interests of our workforce. That is why our leader Puratchi Thalaivi Amma intervened at the time of selling of five per cent shares of Neyveli Lignite Corporation. The Government of Tamil Nadu thereby saved the profit-making PSU from falling into the hands of private players who may not give importance to employee welfare. The saving grace of this Bill is the permitting of co-operative societies to enter into insurance business.

We reiterate that the committed policy of our AIADMK party is to protect our profit-making PSUs even in the service sector.

We have opened up several sectors for foreign direct investment. We are now seeking to increase FDI in the insurance sector with a cap of 49 per cent, increased from 25 per cent. We all know that the major component of the entire financial operations of any insurance company come from the money paid by the policy holders of the native country. The FDI of foreign companies can at best be shown as equity capital. That is on paper. The moment the foreign insurance companies smelt that certain amendments are in the offing they have reportedly come forward to share their technical expertise and experience. The Select Committee constituted by the other House tried to do a balancing act and whether that will end up really as a balanced one is now a subject matter for discussion.

After this amendment is carried out, foreign companies can have their holding in any insurance company increased from 26 per cent to 49 per cent. Foreign companies can operate their branches here in India as reinsurers. Then foreign insurance companies as reinsurers will be allowed to insure insurance companies. This may be just like giving them not only the handle of the pan but the entire pudding. Hon. Deputy Speaker, Sir, we have already opened up several sectors for foreign investors.

Sir, for the first time health insurance has been specifically defined in this Bill. Further, in the matter of appointment of agents by insurance companies, Tamil Nadu has suggested a change in the amendment. This request has been accommodated and incorporated in the proposed Section 42 of the 2014 Ordinance and 2015 Bill. In Tamil Nadu about 1.4 crore families are covered under the Chief Minister's comprehensive Health Insurance Scheme and the Government Employees Health Insurance Scheme. These schemes are operating successfully. However, another 60 lakh or more families require health coverage and would approach insurers. At this juncture, I would like to mention that the health insurance schemes promoted by the Government of Tamil Nadu are done exclusively through public sector insurance companies.

It should also be mandated that the insurance companies with FDI should fund developmental schemes in the same manner as the LIC and the nationalised insurance companies.

Sir, Make in India is a venture in the goods manufacturing sector. It cannot hold good for service sector. It is just to make money in India and get away with that. Not only Tamil Nadu, the entire country knows that we had some bad experience with the multinational companies and the matter is before the Apex court. So, I am not going into it.

One of the aims of this amendment Bill is to avoid take over of companies by other players. Whether we would be having a level playing field in the long run is a matter of speculation. So, it is a matter of concern. The future of the policies held by the members of Lloyds of London is not very clear in this Bill.

There is also a contradiction in this Bill. While the Bill permits a policy holder to assign all the rights to a third party, the same Bill say that the insurer can disallow and decline validity of such transfers. As such, this is under legal challenge.

Once this amendment Bill is passed, the decisions of the Insurance Regulatory and Development Authority (IRDA) can be subjected to review by the Securities Appellate Tribunal. But unfortunately SAT has no sitting member having experience in insurance law. This is contrary to the suggestions

made by the Law Commission to merge the key provisions of the IRDA Act with the Insurance Act.

Those who had reservations about this Bill, when it was introduced in the Rajya Sabha on 22nd December, 2008 have now swapped their benches with the movers of the Bill. It is yet to be seen whether all the fears have been allayed.

As far as the Government of Tamil Nadu, as guided by the people's Chief Minister, our beloved leader Amma is concerned, the concern for our farmers is foremost.

16.00 hrs

Mr. Deputy-Speaker, Sir, we believe that crop insurance is the only cover to mitigate the impact of adverse climatic conditions. Therefore, the Government of Tamil Nadu wants to protect the farmers of the State with the National Agricultural Insurance Scheme (NAIS) instead of the National Crop Insurance Programme. The Centre is now pushing for NCIP and this will increase the burden of premium on the farmers.

The Narasimhan Committee Report is the basis of this amendment Bill and it has recommended that policy holders can approach the consumer courts with their complaints. The present amendment Bill is neither strengthening it nor putting in its place an independent Grievance Redressal Authority (GRA). Instead, the existing system should continue with some changes.

This Bill may appear to strengthen the insurance sector and invite more FDI. I do not think this can happen unless otherwise we go for enhancing the managerial and marketing skills of our people. We must make the best use of the potential and vast resource available in our country.

According to the proposed amendment, a policy can be challenged up to a period of five years instead of two years. Cancellations of policies are now made possible even after two years due to mismatch or inaccuracy of facts. Verifying the accuracy of material facts can be easily done in this information era at the early stage itself. Then what is the need for giving a long rope? I am afraid this only gives a handle to the insurers to take on the policy holders as per their whims and fancies.

It is surprising to note that the need for insurance agents to be licensed by IRDA will go now. Tariff Advisory Committee is also given a go by. The role of IRDA is being diluted. Instead, Life and General Insurance Councils will be set up. I am afraid this will put the cart before the horse.

More than the banking sector, appointment of persons in the insurance sector needs to be more professional. As such, the branch of study called Actuarial Science is taught in a sound manner only in our country in the entire Asian region.

I wonder why this amendment is not taking into consideration the growth in the number of the trained people coming from the schools of Actuarial Science. We need to understand that we may be able to have right men with right qualifications in right place only when we recognise that trained people are here. We must show our youth the employment opportunities that can open up right in front of them. Strengthening this branch of study in our country with a vast population is necessary.

The power to make regulations is now removed from the regulatory body called IRDA. At the same time, IRDA is permitted to make regulations regarding academic qualifications and code of conduct for surveyors and loss assessors. I apprehend whether new insurance companies would take note of IRDA's role at all. Still the government can consider tapping of the domestic capital markets and the domestic talents. The Standing Committee has also suggested this as its foremost recommendation.

Under health insurance business, it was expected that this amendment Bill would cover sickness benefits for domestic as well as international travel. But the Standing Committee's recommendation in this regard has been disregarded. So, we must continue to run to an insurer every time we fly. When it comes to international travel, we need to have separate insurance cover every time. This could have been attended to.

Once again I am reiterating the notion of the Father of the Nation that serving the customers must be the foremost in the minds of the men in any business or for that reason any sector. I am reminding the Government that it must be our utmost duty to protect the interests of our citizens. I urge upon the Government to tread carefully in the implementation of the Insurance Act in its new form.

Expressing my well-founded apprehensions and thanking the Chair again, let me conclude.

SHRI P. KARUNAKARAN (KASARGOD): Sir, since there are very few Members present in the House, why can we not postpone the discussion?

HON. DEPUTY SPEAKER: No.

श्री जय प्रकाश नायरण यादव (बाँका) : महोदय, यह जो बीमा बिल आया है और यह जिस फ़ैम में आया है, हम उसका विरोध करते हैं। इस बीमा बिल से सबसे पहले तो यहाँ बेरोजगारी बढ़ेगी। अपने देश के नौजवानों और काम करने वाले समुदाय के जो लोग हैं, वे बेरोजगार होंगे। विदेशी कम्पनियों यहाँ अपने एक्सपर्ट लोगों के साथ आएंगी और हमारे देश में अपनी ताकत को फैलाएंगी यानी एक तरह से उपनिवेश बनाएंगे। बहुराष्ट्रीय कम्पनियों को भारत में न्यौता दिया जा रहा है कि आप आएँ और हमारे यहाँ अपने कारोबार को बढ़ाएँ। विश्व का बाजार भारत को हमें नहीं बनाना है, हमें अपने पैरों पर खड़ा होना है। जहाँ बेरोजगारी है, जहाँ फटेहाली है, जहाँ लाचारी है, जहाँ रिस्क डेवलपमेंट हम करना चाहते हैं, अपने देश में हम मेक इन इंडिया की बात करते हैं और हम विदेशी कम्पनियों को न्यौता देते हैं और न्यौता भी ऐसा देते हैं कि 26 से 49 पर चले आइए। आप यहाँ पहुँच जाइए। आपको खुली छूट है, हमारे यहाँ आप अपने पैरों को पसारिए और अपने कारोबार को बढ़ाइए। इतनी बड़ी उदारता नयी सरकार के द्वारा, नयी हुकूमत के द्वारा की जा रही है, जो उचित नहीं है और हम इसका विरोध करते हैं। इससे स्थानीय रोजगार खत्म होगा, स्थानीय रिस्कल खत्म होगा, धन भी बाहर से आएगा और यहाँ का जन भी लाचार होगा। एक तरफ आप जन धन योजना भारत को बनाने के लिए चला रहे हैं, वहीं पर आप धन बाहर से ला रहे हैं कि यहाँ पर रोजगार विदेशी कम्पनियों के द्वारा होगा, उनके लोगों के द्वारा होगा। यहाँ पर बेरोजगारी का सवाल आएगा, यहाँ पर उनके मेहनताना का सवाल आएगा, उनके वेतन का सवाल आएगा और यह तय होगा कि उन्हें वेतन दिया जाए या कमीशन दिया जाए। इससे हमारे यहाँ के लोगों की असुरक्षा भी बढ़ेगी। बीमा कम्पनी के द्वारा जो धन लगाया जाएगा, वह धन वापस विदेश लौटकर जाएगा।

हमें यहाँ जिस प्रकार से शक्ति मिलनी चाहिए, जिस तरह से यहाँ के नौजवानों को ताकत मिलनी चाहिए, वह 49 प्रतिशत की भागीदारी होने की वजह से नहीं मिलेगी। नई हुकूमत के द्वारा यह जो बिल लाया गया है और बीमा योजना में 49 परसेंट की भागीदारी देने का काम हुआ है तथा जिस स्वरूप में लाया गया है, मैं मानता हूँ कि यह कहीं से भी उचित नहीं है। इससे देश को नुकसान होगा।

हमारे लोगों को रोजगार के अवसर मिलने चाहिए। हमारे यहां अच्छे पढ़े-लिखे नौजवान हैं, इसलिए सीधे-सीधे 49 प्रतिशत की भागीदारी नहीं दी जानी चाहिए थी। यह जिस फ़ैम में हो रहा है, हम उसकी खिलाफ़त करते हैं, इसका विरोध करते हैं।

श्री बलभद्र माझी (नबरंगपुर): उपाध्यक्ष महोदय, मैं आपका आभारी हूँ कि आपने मुझे इश्योर्स अमेंडमेंट बिल पर बोलने का मौका दिया।

इश्योर्स बिल में सरकार जो अमेंडमेंट लाना चाहती है, इसका सबसे बड़ा मुद्दा विदेशी प्रत्यक्ष निवेश का है। सरकार की ओर से तर्क दिया गया है कि इश्योर्स सेक्टर आज की तिथि में केश स्टार्टअप और फाइनेंस स्टार्टअप है। इश्योर्स कंपनी को अधिक पैसा क्यों चाहिए? इश्योर्स सेक्टर में निवेशकों का पैसा लगता है न कि पहले इश्योर्स कंपनी को भुगतान करना है। ऐसा तो नहीं होगा कि विदेश से कम्पनियां आकर जादू-मंत्र कर देंगी और सभी लोग इश्योर्स लेने लगेंगे। आज के दिन में लोग इश्योर्स करने से क्यों कतरा रहे हैं? वर्ष 1999 में केवल 6 इश्योर्स कम्पनियां थीं। उसके बाद लिबूलाइजेशन से प्राइवेट प्लेयर्स आए, विदेशी कम्पनियां आरंभ, जिससे आज इश्योर्स कम्पनियों की संख्या 53 हो गयी है। इसी वजह से इश्योर्स पैनीट्रेशन कुछ दिनों तक तो बढ़ता रहा, लेकिन बाद में इसकी संख्या कम हो गयी। इसका मतलब यह है कि यह कहीं न कहीं सेक्टर में प्वाइंट पर आकर ठहर गया है। क्या हम यह मानकर चलें कि सरकार जो फॉरेन डायरेक्ट इनवेस्टमेंट ला रही है इससे इश्योर्स पैनीट्रेशन और डेंसिटी बढ़ेगी? क्या वे वाकई में बाहर से धन लाकर यहां लगाएंगे? जब तक यहां के लोग इश्योर्स नहीं लेते तब तक वे पैसा नहीं लगाएंगे। फॉरेन डायरेक्ट इनवेस्टमेंट करनी वाली कम्पनियों का यह टारगेट रहेगा कि वह मिडिल क्लास और हायर मिडिल क्लास में अपना निवेश करे। क्या इसमें यह प्रवधान है कि वे जो पैसा लाएंगे, उसमें वह किसानों के लिए भी इश्योर्स करेंगे? आज अधिकतर किसान इश्योर्स करने की स्थिति में नहीं हैं। ओडिशा सरकार की तरफ से किसानों को कर्षण इश्योर्स दी जा रही है। उसमें भी एक कंडीशन है कि यदि पचास परसेंट से ज्यादा कर्षण डैमेज होगा तभी उनको इश्योर्स का फायदा मिलेगा। उसमें भी वह पूरे पंचायत का सैम्पल लेंगे। उसमें एक पंचायत में कई गांव होते हैं। यदि सभी गांवों में डैमेज नहीं होता है तो उनको इश्योर्स नहीं मिलेगा, जब तक कि पंचायत में कर्षण पचास प्रतिशत डैमेज न हो। यह एक सैक्टर था, जिसमें सरकार सही से एड्रेस करती तो बहुत सारे लोगों को फायदा मिलता। इश्योर्स में एफडीआई से सभी लोगों को यह अप्प्रोहेनशन है कि वह किस प्रीमियम पर आएगी। यदि बाहर से कोई अपना पैसा यहां लगाएगा तो जरूर वह मुनाफा लेकर जाएगा। आज के दिन हमारे यहां देसी कम्पनीज हैं, जो भी पैसा है वह देश में रह रहा है। हम जितना एक्सपेंड कर रहे हैं, उससे ज्यादा पैसा फॉरेन वाले कमा कर ले जाएंगे। इससे हमें क्या फायदा है? फॉरेन डायरेक्ट इनवेस्टमेंट 49 प्रतिशत का कई स्ट्रैटेजिक कमेडियो ने, कमीशनस

ने भी विरोध किया है। फॉरेन डायरेक्ट इनवेस्टमेंट को 25-26 परसेंट से बढ़ा कर 49 परसेंट कर रहे हैं, इसमें मुझे कोई औचित्य नहीं लग रहा है। सरकार विशेष रूप से ध्यान दे कि दूसरे लोगों को जैसे इश्योर्स पैनीट्रेशन और इश्योर्स डेनसिटी बढ़ानी है, तो गांवों के 70 या 80 परसेंट लोग हैं, उनका कैसे इश्योर्स कवरेज होगा, इसका ध्यान दिया जाए। ऐसा तब होगा, जब हम बीमा कूप में जाएंगे, एग्रीकल्चर प्रोडक्ट में जाएंगे क्योंकि इंडिविजुअल लेवल पर ज्यादा स्कोप नहीं है कि ताइफ इश्योर्स कवरेज करें। मैं अपने सुझाव दे कर अपना वक्तव्य समाप्त करता हूँ।

DR. SHRIKANT EKNATH SHINDE (KALYAN): Mr. Deputy-Speaker, Sir, thank you for giving me an opportunity to present my views on the Insurance Laws (Amendment) Bill, 2015.

As we all know, India is once again on the trajectory of high growth, thanks to the steps taken by the NDA Government led by the hon. Prime Minister, Shri Narendra Modi and also because of the favourable global conditions. To maintain our march towards high growth and achieve our dream of *sabka saath sabka vikas* we need more capital. Foreign companies have again turned positive on India story and are eager to park their funds in the Indian market. The Bill which seeks to raise the limit of foreign capital from the existing 26 per cent to 49 per cent is a great opportunity for these companies as well as for India to raise more capital.

As per estimates, Rs. 20,000 crore could pour into the market in the short-term which can cater to the needs of the country's creaky infrastructure. With more capital coming in, the insurance companies will be able to expand their foot prints. Let us face the fact that India has still a lot to achieve on two counts. First is the social security and the second is the insurance penetration.

The hon. Finance Minister, Shri Arun Jaitley, has announced insurance schemes to cover the Below Poverty Line population, thereby taking care of their social security cover. But if we compare the global standards, India ranks very low as far as the insurance penetration is concerned. Therefore, this additional capital will bring a lot of benefits with it. Firstly, the companies will be able to expand their foot prints and this will increase the insurance penetration, which will lead to more competition. Because of the increased competition, the insurance companies will have to bring down the premium which will benefit a majority of the population. So, I welcome the Insurance Laws (Amendment) Bill.

I would like to make one specific suggestion here. While allowing to bring in more foreign capital, these insurance companies should be made to cover crop insurance as well. We have been constantly facing the wrath of nature for the last few years. This year alone, a State like Maharashtra has faced unseasonal rain thrice in a span of three months destroying the standing crops and affecting lakhs of farmers. At the same time, there is drought in some parts of the country. Not much is known in the villages about crop insurance and many cannot approach the Agricultural Insurance Company of India. Allowing the private companies will be a boon to the farmers as the private companies will reach out to the farmers for their business.

Therefore, my sincere request is to make it compulsory to the Insurance Companies availing the benefits of increased foreign capital to include the crop insurance in their portfolio. This will prevent the farmer suicides in India in the long run.

With these words, I fully support the Insurance Laws (Amendment) Bill, 2015.

SHRI M.B. RAJESH (PALAKKAD): Hon. Deputy-Speaker, Sir, I would thank you for giving me this opportunity to speak on the Insurance Laws (Amendment) Bill, 2015.

At the outset, I would like to say that it is really unfortunate that the Minister concerned is not here to listen to this debate.

HON. DEPUTY-SPEAKER: He has come.

SHRI M.B. RAJESH: Sir, I rise to oppose the Insurance Laws (Amendment) Bill, 2015 moved by the hon. Minister of State for Finance. I oppose it because this Bill will lead to disinvestment and privatization of our insurance sector. This is detrimental to the national interest. This will have serious consequences in the future. This will further de-regulate the financial sector, including the insurance sector.

The whole world has experienced the disastrous consequences of de-regulation. The economic melt down which started in 2007-08 is the direct fall out of reckless speculation by the private insurance companies and financial agencies in the United States. This lesson should have taught us that we should have strengthened the public sector insurance and financial sector and we should have strengthened regulation within the financial sector. But, unfortunately, the Government has not learnt the proper lesson from the financial melt down and the consequent recession which started from the United States and then spread to the Europe as also throughout the Globe. So, this move by the Government will lead to further de-regulation. At the same time, the need of the hour is further regulation, more stringent regulation because the Indian financial sector was comparatively less-affected at the time of the global financial melt down. It is only because the presence of the public sector was strong in India. We have much better, strong regulatory system. Instead of strengthening the public sector and the regulatory system, the Government wants to dismantle the public sector and the regulatory system.

Sir, the global financial melt down was, as I said, as a result of the reckless speculation. This Bill will pave the way for this reckless speculation. This will invite the same insurance companies and financial agencies which have caused this kind of a melt down, this kind of a disastrous consequence in the United States and the Europe.

There was restricted entry to our financial sector for the foreign players and foreign investment. That is why, we remained comparatively immune to the disastrous consequences of the financial melt down. Most of the big insurance companies in the United States, whether it is the AIG which is the biggest insurance company in the world or whether it is the ING or Aegon, all these big insurance companies which have caused the financial crisis are now surviving on huge bail out packages by the Governments of the respective countries.

Now, we are opening the gates for these very bankrupt and corrupt companies to enter the Indian financial sector. Now, we are inviting them to the Indian financial sector. This is definitely not in the interests of our country but this will serve their interests.

The Government of India, led by the BJP, led by the Prime Minister, Shri Narendra Modi is giving access to these bankrupt financial companies and insurance companies to enter the Indian financial market. This will act as additional bail out package for these bankrupt companies like AIG, ING and Aegon. You are serving their interests; you are providing them additional bail out package at the cost of our country, at the cost of people of India. That is why, we are opposing it. All those arguments which are put forward in defence of this Bill, in defence of opening up of financial sector are bogus and absurd. Why is it so?

Argument number one is that Indian insurance companies are short of resources. Hence, we require health-wealthy foreign partners. This argument is baseless. Most of the Indian insurance companies, as we all know, are subsidiaries of big corporate houses like Tata, Birla, Reliance, etc. They are backing most of the private Indian insurance companies; they have fine financial base; they are even making big ticket takeovers abroad. The real intention is to facilitate entry of these very bankrupt and corrupt financial insurance companies into Indian market.

Secondly, the argument which we have been listening time and again is of low insurance penetration. This is not a fact. This is factually incorrect. The argument of insurance penetration also does not hold water because we have LIC, which has a penetration of 3.1 in India. Life insurance has a penetration of 3.1. This is favourably comparable to the United States, which has 3.2; 2.9 in Canada; 3.1 in Germany. So, that argument has no base at all.

Another argument is that we need technological upgradation, which is also baseless because Indian insurance companies are highly developed, having sound technological base. So, that argument also does not hold water.

Another argument is operational efficiency. Operational efficiency of public sector insurance companies is acclaimed internationally. Even the World Economic Forum has acclaimed operational efficiency of Indian public sector insurance companies. Why should the Government want to dilute the ownership of public sector insurance companies and general insurance companies?

As far as settlement ratio is concerned, it is comparable to international standards. Claim rejection ratio of LIC is only one per cent compared to 20 to 23 per cent for most of the private life insurance companies in the life insurance sector. Sir, 85 per cent of the life insurance business by private companies with foreign partners is in the form of ULIP. So, all these arguments - whether it is penetration, operational efficiency, settlement ratio, etc. - are false arguments. These arguments do not have any base. What is the real intention? The real intention is to open up the Indian financial sector for the crisis-ridden foreign insurance players and companies. That is why, we are opposing this Bill. More complex issues are also associated with this. Due to paucity of time, I do not want to go into all those details.

For the last few years, it has been opposed strongly by the movements of insurance employees and financial sector employees. The entire trade union movement in the country has backed this protest against the opening up of insurance sector and financial sector in the country. Already many agitations and strikes have happened. Now, again 1.5 lakh employees and officers of insurance sector companies are going on strike action to protest against such retrograde move by the Government and they have announced their firm resolve to go for indefinite action in the event of Government's not retreating from their attempt.

I would like to urge upon the Government to read the possible consequences of their retrograde move. We do not understand why they are pushing forth this Bill. If they are holding the interest of our country, they should not have brought such a Bill. When the earlier Government, the UPA-II brought this Bill, the original Bill earlier had a provision in Clause 28 and now the Finance Minister has done away with that Clause also. This is also done with an ulterior motive of helping the foreign insurance companies. So, I would like to urge upon the Government to withdraw the Bill. I also appeal them to desist from pushing through this Bill in the interest of our country. As they always say, the whole nation is watching us. After a few years, the people will realise the real consequences and you will have to pay the price. So, if you do not want to be impeached by history, you please desist from pushing through this Bill.

With these words, I conclude. Thank you very much.

SHRI KONDA VISHWESHWAR REDDY (CHEVELLA): Hon. Deputy Speaker, Sir, thank you for giving me this opportunity to speak on behalf of my party, the Telangana Rashtra Samithi. If a misfortune strikes an individual and the whole society comes forward, then indeed it is a great society. Insurance is that tool which enables the society to share the loss of an individual. Who does not want the benefit of the insurance to reach every nook and corner and every demographic part of India? I think, all of us do; but there are some barriers. Do we have the funds? There are certain technologies required, marketing and awareness required. Do we have the wherewithal to do all this? Yes, Sir, definitely we do need the funds. Definitely we do need approximately Rs. 55,000 crore, what the IRDA estimates, and that can come through FDI alone.

Sir, even in Asian countries, including China, Hong Kong, Japan, Korea, there is 50 per cent to 100 per cent FDI. I do not see any problem why we should not have the same thing in our country.

There are other benefits like employment. Insurance industry provides more than three lakh direct and 1.5 million indirect employment. It can increase further. The funds can be utilised in the investment of infrastructure bonds and companies. In India, they cannot invest outside. There is no risk of these funds flowing back abroad. In the promoter company, they can invest only up to 5 per cent. So, I think the risk of that is limited.

Then, the insurance company brings about awareness and financial literacy. But, more importantly, it is not just the economic benefits. Insurance is the risk business. It influences social behaviour positively. It promotes people against risk taking. For example, we just looked up the insurance penetration of the world-wide map. It was coloured dark green in some places, light green in some places. And cross-map it to smoking. Wherever the insurance penetration is high, the smoking is less.

It also promotes good social behaviour. Not only that, wherever the insurance penetration is high, the road accident per passenger kilometre is very low. We all have seen how in Haridwar a natural phenomenon becoming a natural calamity and where the houses got washed. Wherever the insurance is prevalent, building regulations are followed in greater detail. So, these are the other social benefits other than the economic benefits of the insurance industry.

Yes, we definitely support this Bill. However, we do have some issues. While we support the Bill, we are hoping that this Bill would also go the extra mile to take care of the farmers. Mostly the farmers are hit due to this. We do not have sufficient data. The data that the Agriculture Department provides is totally useless for risk assessment and for claims adjudication. In both the areas the farmers are hit.

Crop insurance is the most expensive insurance because it is difficult to claim the premium. No farmer willingly takes it. The bankers force the farmers to take loan, and it is really funny that the bankers are not taking insurance for these farmers. They are ensuring their loans and using the money of the poor farmers themselves. This is a very unfortunate situation. That is regarding the risk assessment. We do not have proper risk assessment mechanism.

As far as adjudication of claims of farmers is concerned, I would like to say that it is all like we own cars and insurance company pay to a person who has insurance for accident only if cars of everybody are insured. The same is the case with crop loan also. If every farmer in a Taluk has lost his crops, then only this farmer is paid. These are some of the things, I think, we should have gone the extra mile and made provisions in this Bill so that technology, data and knowledge is available to protect the farmers.

Lastly, I am very happy coming from Hyderabad. The Insurance Regulatory and Development Authority is in Hyderabad. I think, Hyderabad has the best infrastructure. I hope it becomes the next Connecticut or London. We will provide all support from the Telangana State. We hope that by doing this, we will be able to attract a lot of industries to Hyderabad.

Thank you.

SHRI ABHIJIT MUKHERJEE (JANGIPUR): Thank you, Sir, for giving me this opportunity to speak on this Bill. I am also thankful to our leader for giving me this chance.

The Bill in its initial form was introduced by the then Congress-led UPA Government under the leadership of Dr. Manmohan Singh. The introduction of the Insurance Bill in Lok Sabha is beyond its legislative competence as the Bill on the same subject is already pending in the Rajya Sabha. If Lok Sabha passes this Bill, it may not become an Act, as this Bill will face hurdles in the Rajya Sabha due to the already pending Bill. Many of the Speakers before me have already objected to the introduction of this Bill. However, I must acknowledge that the NDA Government has made certain changes before introducing this Bill. My colleagues have already pointed them out. Therefore, I urge the NDA Government to withdraw this Bill.

It seems hon. Finance Minister wants to continue with a version of this Bill, which, his party had at that time doggedly fought against, especially against the key points in that Bill – expanding foreign investment limit upto 49 per cent. I may point out that initially the UPA Government proposed FDI in insurance sector upto 49 per cent which was vehemently opposed by BJP, the then Opposition Party, and now after changing the side, that is after becoming the Ruling Party, there have been changes in their minds and hearts. I would like to mention that the current limit of 26 per cent FDI in insurance sector was proposed by the Standing Committee Chaired by a very senior BJP leader and the then MP. The then UPA Government accepted almost all the recommendations made by that Standing Committee which was also unanimously accepted by all the parties including BJP which was the main Opposition Party at that time. It seems to be the BJP as a party, which was known for its roll back policy during NDA-I tenure, has not changed even in the changed scenario.

It is evident again from their rollback from 26 per cent FDI to 49 per cent. Strange how, stepping over to the Treasury benches makes us, politicians, see things in a different light.

Further, it facilitates certain major changes in the insurance sector by amending the Insurance Act 1938, the General Insurance Business (Nationalization) Act and the IRDA Act.

I would like to raise two issues which I feel should also be looked at in a constructive manner.

One of the main problems of this Bill is that it categorises four new kinds of insurers including branches of foreign companies. These branches are being allowed in to handle re-insurance.

As many of us are aware, re-insurance is the most profitable part of insurance business. In fact, many describe it as the cream of the insurance business. Which is possibly why there was a storm of protest within the BJP when the first IRDA Bill drafted by the then NDA-I Government sought to allow the foreign players in this space.

I would imagine that the least that we can do is to force these foreign re-insurance giants to set up listed Indian arms here so that Indian investors too can get a share of the super-profits which these re-insurers will gain.

The next point I wish to point out is that the Bill provides for rights of transfer or assignment of an insurance policy wholly or in part, whether with or without consideration to third parties by the policyholders. This, basically, means that an insurance policy can be traded, which is also detrimental to the interest of insurer.

We have to consider the issue whether life insurance policy can be traded or not. This has, in recent years, come up for judicial adjudication. There are differing legal opinions on this. Some countries allow this, while others do not. I believe, there is a need for further expert thinking on this issue before we agree to this Clause.

In this Bill, Lloyds of London have been included within the list of foreign companies though it is not a company. So far as I know, it is basically a trust. However, it is unclear whether the members of Lloyd who ultimately bear the risk of policy which is written will be able to operate in the country. As there are large number of amendments made in these three Insurance Acts, I would like to mention that 'the devil is in the detail', that is in the fine print of the Bill and its impact on it.

The introduction of FDI in the insurance sector has largely been opposed by the Trade Unions and other Unions of the insurance companies.

Clause 3 of the Insurance Bill seeks to raise foreign capital while also allowing the portfolio investment. The portfolio investment can be liquidated or repatriated quickly, which thus can cause serious instability in the economy.

Further, we are exposing the Indian middle class by enticing them to invest for better profits in these insurance companies. This is a practice in many of the countries where these foreign insurance companies are based. This import of this practice will also expose developing and expanding middle class to this highly vulnerable and risky financial practice.

Perhaps, as a compromise, it eventually emerged that GIC would act as a re-insurance channel. Now, we wish to do away that and allow direct re-insurance. In effect, we are whiling away the profits from one of the most promising insurance markets.

In this Amendment Bill, the appeal against the decisions of IRDA lie with the Security Appellate Tribunal (SAT). However, there is no provision to have an insurance expert in SAT.

Higher FDI may result in the Indian entities liquidating their stake at several times their original investment without any fresh investment coming in, that is, re-rolling.

The Bill has no safeguards to ensure that the additional capital will be used to improve insurance penetration in the rural areas which is extremely essential to protect the rural folks from these ups and downs of the economy, vagaries of weather, etc.

Sir, as many speakers have already spoken, the Government must ensure that if the FDI comes, the foreign companies will go to the rural areas, villages and cover all kinds of insurance like crop insurance, insurance against floods, droughts, cattle insurance, their small vehicles and tractors etc. This is, generally, being done by the Indian public sector companies and not by the foreign companies. How will they ensure that the foreign companies, who are investing, will also go and penetrate in the rural villages, rural India where 60 per cent of Indians are staying?

With these words, I conclude. Thank you.

SHRI MEKAPATI RAJA MOHAN REDDY (NELLORE): Thank you, hon. Deputy-Speaker, Sir, for giving me this opportunity to speak in this august House.

At the outset, I welcome the Insurance Laws (Amendment) Bill, 2015 raising the FDI from 26 per cent to 49 per cent.

I have gone through all the recommendations of the Standing Committee on Finance, which were unanimously approved by the Committee. I am fully satisfied and hope that the enhanced FDI will benefit the country.

The main points are as under:

The foreign equity cap is proposed to be kept at 49 per cent as provided in the Insurance Laws (Amendment) Bill, 2008 as against the 26 per cent. This is done in order to meet the growing capital requirement of Insurance companies.

Foreign insurance will be permitted to open branches only for reinsurance business in India and the provisions of Section 27E, which prohibits an insurer to invest directly or indirectly outside India the funds of policyholder, would apply to such branches.

The definition of "Foreign Company" for the purpose of insurance and insurance would mean a company or a body established under a law of any country outside India and include Lloyd's established under the Lloyd's Act, 1871 of United Kingdom.

In order to encourage health insurance in India, the capital requirement for a health insurance company is now proposed at Rs. 50 crore instead of Rs. 100 crore for general insurance companies with a view to reduce the entry barrier to a sector, which is a priority sector in the insurance space.

The definition of 'health insurance business' has been revised to clearly stipulate that health insurance policies would cover sickness benefits on account of domestic as well as international travel.

In the case of any insurer having a joint venture with a person having its principal place of business domiciled outside India, the Authority may withhold its registration, if it is satisfied that in the country in which such person has been debarred by law or practice of that country to carry on insurance business.

Regarding the obligatory underwriting of third party risk on Motor Vehicles, a separate Motor Vehicle Insurance and Compensation Legislation is being proposed by the Government and the concerns of the Standing Committee regarding the obligatory third party insurance on motor vehicles will be taken care of.

With a view to serve the interest of the policy holders better, the period during which a policy can be reputed on any ground, including misstatement of the policy and thus no policy would be called in question on ground of misstatement after three years.

The public sector general insurance companies and GIC will be permitted to raise capital from the market to meet future capital requirements provided that the Government's shareholding would not be allowed to come below 51 per cent at any point of time.

The appointment of agents is proposed to be done by insurance companies subject to the agents meeting the qualifications, passing of examinations etc., as specified by IRDA. While the licensing of agents be no longer with IRDA, the Authority is empowered to take action against agents under Section 42(4) of the Insurance Act, 1938 which is essentially to protect the policyholders' interests. This provision will help expansion of agents network throughout the country and better management and control of insurance companies over them. This will ultimately lead to better insurance penetration.

Mechanism for appeal in case of orders of IRDA against intermediaries has been defined by proposing to amend clause 8 of Section 33 of the Insurance Act 1938 to provide for any insurer or intermediary aggrieved by any order made under this Section to provide for any insurer or intermediary or insurance intermediary aggrieved by any order made under this Section to prefer an appeal to the Securities Appellate Tribunal.

The register of claims and policies has to be maintained by insurers in any form including electronic.

To specify fine on intermediaries and insurance companies for misconduct of intermediaries and to make appropriate provision in the legislation to effectively deter multilevel marketing of insurance products in the interest of policyholders and to curtail the practice of mis-selling.

In order to improve the functioning of surveyors and bring in greater transparency, certain modifications are made to provide for regulations on qualifications regarding appointment of surveyors and to strengthen the institute of Indian Insurance Surveyors and Loss Assessors. The amendments proposed in the Bill seeks to do away with the existing statutory prescriptions pertaining to licensing insurance surveyors and loss assessors etc. and leave these issues to be addressed by way of regulations.

Further, although the Standing Committee suggested retaining licensing of agents and their commission structure in the Insurance Act, 1938, however, keeping in view the interests of the agents, the commission structure and the code of conduct for agents is to be specified by regulations by the IRDA and accordingly, ceilings on commission in the Act have been done away with and the insurance companies along with the agents are made liable for any violation of the regulations and staff penalties have been provided for mis-selling, rebating and marketing of products through multi-level marketing schemes.

I would like to mention here that the Private Companies generally gain notoriety and considerable delays in the settling claims. The Government should look into the aspect.

Another point of concern is that the LIC is likely to face tough competition from the private insurance having large established network and their network intermediaries.

The demand for life insurance in rural India is expanding at the annual rate of 18 per cent as compared to 3-9 per cent in urban areas. Private insurers recorded higher growth rate whereas LIC recorded a decline. The entry of private players helps in spreading and keeping the operation in the Indian Insurance Sector which will then result in restructuring and revitalizing of public sector companies.

I hope that the 49 per cent increase in FDI will greatly help to grow the insurable population of the country.

SHRI GAURAV GOGOI (KALIABOR): Thank you hon. Deputy Speaker Sir. I rise to speak on this Bill which relates to the hike in FDI regulatory powers of IRDA norms for insurance and policy holders.

Sir, first and foremost, I would like to register my strong opposition to the fact that while there is a Bill pending in the Rajya Sabha, we are discussing this Bill in Lok Sabha. At the same time, can two Bills of identical nature exist in the two houses? This is a question of legislative propriety. This is bringing dishonour and this is disrespecting the sanctity of the Lok Sabha and disrespecting the sanctity of the Rajya Sabha. So, we as legislators have a right to uphold the honour of the Parliament. But now, the Parliament is being made a mockery of the way the Ruling Party is rushing through its Ordinances, it is reducing the Parliament to a mere rubber stamp and we are here to tell you in loud and clear voice that the public representatives of the entire country will not be a rubber stamp for your pro-corporate Ordinances and legislations.

Sir, before the Lok Sabha elections, we had heard big promises from the Ruling Party. We heard the promise of change and we heard the slogan of "*ab ki baar, modi sarkar*". But Sir, in the last 9 months, we have seen consistent flip-flops - whether it is on article 370, whether it is on bringing back black money in 100 days, whether it is on the issue of Delhi statehood, whether it is on issue of talks with Pakistan, whether it is on making the files of Netaji Subash Chandra Bose public - there have been 25 u turns in 180 days. That means one turn per every 25 days. If there is actually an Olympics sports for the number of u turns, I am sure the Ruling Party will definitely win a gold medal for our country.

Sir, the amount of u turns that is taking place is putting their own supporters in a flux, their own supporters on the basis of which they have won the 2014 Lok Sabha election are now raising their arms -whether it is Swadesh Jagran Manch, whether it is Bharat Mazdoor Sangh, whether it is Bharat Kisan Sangh, the labour, the farmer and the economic wing of the RSS is now protesting against their own Ruling Party. There is an internal fight. There is an internal struggle that is going on in the BJP. We are seeing this in AAP. Recently, we are seeing this in the BJP for the last 10 months and, therefore, the result of Delhi is for everyone to see.

I want to talk about the 2008 Insurance Laws Amendment Bill. It was introduced by the UPA after a very careful and studied process. There was the 119th Report of the Law Commission. There was an Expert Committee set up under Shri K.P. Narasimhan. There was also the recommendation of the IRDA. All these reports carefully studied the reforms required in the insurance market which would benefit the poor and the needy of the country and for that purpose only, the hike of 49 per cent in FDI was proposed. But, unfortunately, it was then opposed and challenged by the ruling Party under the chairmanship of Shri Yashwant Sinha Ji.

At that point of time, they did not understand the need and the dire necessity for insurance market reforms. India's insurance market is one of the largest markets but when many of our poor people have to go to the hospital, they pay out of their pocket. Ideally, the insurance should give cover for them but they are paying out of their pocket for which they have to mortgage their house; they have to mortgage their jewellery; they have to mortgage their property, pushing them into greater poverty. Therefore, we had suggested that let us bring FDI; and let us reform the insurance sector.

We have seen that after the 1999 IRDA Act, the number of insurance companies in India has increased from six to 53. Their penetration has increased. The market estimates say that the growth rate of India's insurance market is close to 12-15 per cent. We can grow. It can contribute to our economy. It can contribute to our GDP. The market estimates say that currently our market potential is 66.4 billion US dollars. But if we push the reforms in the right direction, in the necessary direction, in a collective and collaborative manner, then this could be a 350 billion US dollar market. But unfortunately, the BJP in its 2008 opposition negated all of these positive impacts which could have come out. Just for their own political self-interest, they negated all of the various methods we could have taken to increase our economy. We have to now look at this new Bill that has been introduced by them, and there are many concerns which I want to raise.

One of the first things that we have to make sure is that insurance is given to every poor person, especially when it comes to health. As I said, there are many people who come and want to claim insurance but the criteria of private insurance companies are so strict, so stringent that even the poor cannot take benefit. We must ensure that under this new insurance law, no poor deserving person can be denied his right to insurance. This Bill needs to make sure of that.

At the same time, in the 2008 Bill we had said that for health insurance related companies, the minimum capital required is Rs.50 crore. But in this new Bill the criteria has been changed. It says that instead of Rs.50 crore as the minimum capital, the minimum capital needs to be Rs.100 crore. What is the reason for this? It will only benefit bigger and larger health insurance companies. It will only benefit the larger private insurance companies. Do we not want smaller insurance companies to come up to cater to the specific interest of Jammu and Kashmir, Assam, Tamil Nadu and Punjab? Do we not want smaller tactical insurance companies? Why are we bending our back in order to benefit large corporate interests?

Another thing that we must ensure is that all the insurance investments that come must flow into infrastructure development of our country. The IRDA authority has in its guideline mentioned that 40 per cent of the investment should go into Government securities and 10 per cent should go into infrastructure. Are we ensuring that the investment that is coming under this new Bill will go into infrastructure? Or, will it always go into equity? We have to make sure that we prioritize infrastructure in our country.

At the last, I would not like to take much of your time but one small point I would like to mention. Sir, in this new Bill, which is different from the 2008 UPA Bill, the power of IRDA, the authority that was created in 1999, is being gradually diluted and we must stand guard and not allow the power of the IRDA authority to be diluted.

In two cases - when it comes to payment of beneficiary nominees and the shareholding patterns of Indian promoters who want to increase their stake beyond 26 per cent - in the UPA Bill we had given large powers to the IRDA to regulate these provisions but these provisions have been taken off from this new Bill.

I would like to conclude with this last point. This Ordinance *Raj* of BJP Government cannot go on. There are 10 Ordinances in seven months. What is the rush? What was the rush for an Ordinance on FDI in insurance? We had worked together on this. Why this Government is in such a rush to make an Ordinance on insurance. I know that the Government is desperate to prove its credentials to the international investors as a pro-market and pro-corporate Government but the Parliament cannot be reduced to serve the interests of the larger corporates, who have supported you in your elections.

We too care about the economic growth but the growth needs to be based on the equity, fairness and transparency. It cannot be a growth reduced to just supporting the large corporates. The Parliament is a House of legislation. Its sanctity and its powers will not be reduced to a rubber stamp. I caution the Government on this route that they have taken of these Ordinances. Thank you very much.

SHRI N.K. PREMACHANDRAN (KOLLAM): Thank you very much, hon. Deputy Speaker, Sir. First of all, I would like to express my deep sense of regret.

HON. DEPUTY SPEAKER: Please be brief.

SHRI N.K. PREMACHANDRAN: I would be very brief and up to the points. Please give me some time to speak, I will confine to the Bill alone.

Sir, I express my deep sense of regret on the way in which such an important legislation is being brought into this House and legislated in this House. It is quite unfortunate in the history of Indian Parliament. Yesterday also, at the time of introduction of the Bill, I raised certain objections about the Bill which is pending in the Rajya Sabha, the Upper House and which has gone to the Standing Committee.

HON. DEPUTY SPEAKER: You please come to the point. You have already spoken it once.

SHRI N.K. PREMACHANDRAN: The Bill was evaluated and scrutinized by the Select Committee and that has been discussed here. My point is that the Government is evading the legislative powers of the Parliament against all parliamentary traditions, customs and conventions of this House just to satisfy the interests of the multinational corporate insurance companies. It is against the basic principles of parliamentary democracy. This is the first point that I would like to make in respect of the manner in which the Bill is being routed into this House.

The Insurance Laws (Amendment) Bill is brought in this House for three purposes to amend the Insurance Act of 1938, General Insurance Business (Nationalization) Act of 1972 and Insurance Regulatory Development Authority Act of 1999. The first Act is about the legal framework of the insurance sector in India. The second is about the nationalization of the general insurance companies in India and the third is about the regulatory mechanism and the authority to be formed under the IRDA Act. These are the three Acts which are pertinent in Indian insurance sector.

What are the bases of these amendments? The bases of the amendments are the recommendations of the Law Commission as well as the recommendations of the K.P. Narasimham Committee. What are the major amendments proposed? I am only making the bullet points. The first is hike in FDI cap. The second is disinvestment of public sector general insurance companies of the country. These are the two major amendments proposed in the Insurance (Amendment) Bill.

Let us come to the reasons for the amendments. The first reason is that insurance penetration is low in India and to have more penetration FDI is required. Let us analyse the statistical data in respect of the insurance penetration in India and other countries. Let us examine it. In 2007 foreign direct investment in insurance sector was Rs.3,314 crore. At that time the insurance penetration was 4.6 per cent. In 2013 when the FDI in India doubled and it has increased to Rs.7,648.72 crore, kindly note that the insurance penetration came down from 4.6 per cent to 4 per cent.

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Sir, kindly note that insurance penetration in India has come down from 4.6 per cent to four per cent. In the year 2013, it had again increased. What has happened to insurance penetration? It has come down to 3.9 per cent. So, the reason stated for having FDI in the insurance industry does not stand. Whenever Shri Arun Jaitely, the hon. Finance Minister, speaks, he always speaks about the insurance penetration in rural areas, especially in the health sector. My humble question to the hon. Minister is, according to the data which I have mentioned about, whether the insurance penetration is increasing in proportion to the FDI or decreasing in proportion to the FDI. That is the first question which I would like to ask. My point is that there is no substantive justification or reason for having the FDI hike so as to have increased insurance penetration in our country.

Sir, you may also kindly see the world average of IP. It is 3.5 per cent. Further, India's IP is better than that of Latin American countries, East European countries as well as industrially developed nations. If that be the position, the reason for having hike in FDI cannot be justified. Now, I come to general insurance sector. In general insurance sector, the IP was 0.65 which has increased to 0.8 per cent. In the general insurance sector as well as in the life insurance sector, IP is decreasing when FDI is increasing. This is the position.

The second reason the Government has stated is with regard to the growth of insurance companies in India. I am proud to say that in the year 1956, LIC was formed under an enactment of this Parliament with capital of Rs. 5 crore. What is its present fiscal position? The position now is that in 2014, LIC had 30 crores of policyholders in this country. The total population of this country is 126 crore and there are 30 crore policyholders. The investible fund of LIC is Rs. 16 lakh crore. The Government of India is getting huge amount towards taxes and dividend. The Government realised more than Rs. 7,809 crore in 2013-14 alone out of taxes and dividends. LIC commands 85 per cent of the policies in the market with 75 per cent share in the premium so far collected.

Sir, I will raise only two more points. I am the last speaker from the opposition side.

HON. DEPUTY SPEAKER: There is one more speaker.

SHRI N.K. PREMACHANDRAN : Sir, I will conclude.

Sir, you may know that the number of LIC agents has been declining like anything because they have imposed so many conditions, including the condition of minimum business guarantee also. Due to this, the number of poor LIC agents has been declining like anything. There are no welfare measures also for them. That has to be taken care of.

The life insurance sector has recorded compounded annual growth rate of 18.42 per cent during the last 14 years. So, growth is also there in having

a good performance. The performance of the general insurance companies is also good. I am not going into the details because of lack of time. The PSUs are dominating the market with 56 per cent of the total share. The general insurance companies have paid Rs. 598 crore during 2013-14. So, growth is there.

Sir, let us look at the repudiation of claims also. The repudiation rate of private companies is very high in terms of no claim and amount of claims. In 2013-14, repudiation rate of number of claims in LIC was only 1.1 per cent while it was 8.5 per cent in the private companies. There is a wide difference. Certain companies have a much higher rate varying between 20 and 28 per cent.

Then, what is the rate of settlement of claims? The rate of settlement of claims is 99.8 per cent in LIC. As Indians, we are proud of our LIC and GIC. It is below 80 per cent as far as the private companies are concerned.

As regards the claim settlement ...(*Interruptions*)

HON. DEPUTY SPEAKER: Please wind up your speech.

SHRI N.K. PREMACHANDRAN: Sir, considering these points, if the hon. Minister can satisfy us, then we will definitely support FDI provided you can genuinely satisfy us about the reason for FDI hike in the Indian insurance sector.

My concluding point is that it is a duck. The Life Insurance Corporation and General Insurance Corporation are twin ducks delivering golden eggs, and by means of this legislation you are gradually killing the ducks, which are delivering golden eggs. Please do not kill the ducks, which provide and deliver golden eggs to the nation. Therefore, please reconsider this.

So, I strongly oppose this Bill and not only the Bill, but the Ordinance route also. I oppose these, and with these words, I conclude. Thank you very much.

श्री दुष्यंत चौटाला (हिसार) : उपाध्यक्ष महोदय, आपने मुझे इश्योरेंस बिल पर बोलने का मौका दिया, इसके लिए मैं आपका आभार प्रकट करता हूँ। आपने मुझे दो मिनट का समय दिया है, इसलिए मैं जल्दी में अपनी बात रखना चाहूँगा।

आज सरकार इश्योरेंस सैक्टर में एफ.डी.आई 26 प्रतिशत से बढ़ाकर 49 पर लाना चाह रही है। इश्योरेंस सैक्टर एक ऐसा सैक्टर है, जिसके अंदर आम जनता इनवोल्व्ड है और उनकी भलाई के लिए कहीं न कहीं यह कदम हमारे वित्त मंत्री जी उठाने का काम कर रहे हैं। मैं वित्त मंत्री जी के संज्ञान में लाना चाहूँगा कि हमारे पास एल.आई.सी. जैसी कारपोरेशन है, जिन्होंने 2012-2013 के अंदर 97 प्रतिशत डेट वलेम वापस किया, 2013-2014 के अंदर उन्होंने 99 परसेंट डेट वलेम किये और एक परसेंट रिजैक्ट किये। दूसरी ओर प्राइवेट कंपनीज ने लगभग आठ परसेंट डेट वलेम वापस करने का काम नहीं किया। जहां पिछले पांच सालों में एल.आई.सी. की एक भी ब्रांच शट डाउन नहीं हुई, वहीं दूसरी ओर अगर हम प्राइवेट कंपनीज की बात करें तो आठ सौ से ज्यादा ब्रांचेज शट डाउन हुई हैं। मैं वित्त मंत्री से अपील करूँगा कि अगर हम इस फील्ड के अंदर फॉरेन डायरेक्ट इनवैस्टमेंट लाने की चर्चा कर रहे हैं तो हमें विचार करना पड़ेगा कि क्या फॉरेन इनवैस्टर्स भी इसी तरह आकर एक बार हमारे इस सैक्टर के अंदर घुसने और बाद में अपनी ब्रांचेज बंद करके कहीं जाने न लग जाएं, इसलिए आप इस पर भी गम्भीरता से विचार करने का काम करें। चूंकि, मैं एक कृषि प्रधान प्रदेश से आता हूँ। आपने देखा, पिछली बार ड्राउट के कारण हमारे यहां फसलें बर्बाद हुईं। परसों बारिश के कारण लाखों एकड़ जमीन के अंदर गेहूँ और सरसों की खाड़ी फसल बर्बाद हुई। जहां आप एफ.डी.आई. लाने की बात करते हैं, वया वित्त मंत्री जी यह साफ करेंगे कि फॉरेन डायरेक्ट इनवैस्टमेंट के तहत वया हम कौंप इश्योरेंस को भी इसमें इनवोल्व्ड करेंगे और वया हम उन फॉरेन इनवैस्टर्स के ऊपर दबाव डालकर यह मैनडेटरी करेंगे कि सस्ती दरों पर हमारे किसान की कृषि फसल को भी इश्योर करने का काम करें।

मेरी माननीय वित्त मंत्री जी से यही अपील है कि कौंप इश्योरेंस हमारे फार्मिंग सैक्टर के लिए एक बहुत बड़ी जरूरत है। आज यू.एस., कनाडा और यू.के. जैसे बड़े-बड़े देश अपने वहां पर एक-एक एकड़ की खेती को इश्योर करके रखते हैं। दूसरी ओर हिंदुस्तान एक ऐसा देश है, जब मैं अपनी कांस्टीट्यूंसी में गया

तो मैंने जाकर चर्चा की कि इश्योरेंस बिल सामने आ रहा है तो उन्होंने यह पूछा कि वया खेती का इश्योरेंस भी होगा? आज हमारे किसानों को यह भी नहीं पता कि हम उनके खेतों को भी इश्योर कर सकते हैं। मैं माननीय वित्त मंत्री जी से अपील करूँगा कि एफ.डी.आई. के तहत जो-जो फॉरेन इनवैस्टर्स हमारे देश के अंदर आकर पैसा डालेंगे, वया उन पर दबाव डालकर सरकार कम दरों पर कौंप को इश्योर कराने का काम करेगी?

महोदय, आपने मुझे बोलने का मौका दिया, इसके लिए मैं आपका आभार प्रकट करता हूँ। धन्यवाद।

SHRI JAYANT SINHA: Thank you, Mr. Deputy-Speaker, Sir. I know that I am standing between all of you and a very important festival. So, I shall keep my remarks brief even though there were some very passionate remarks from some of our friends in the Opposition.

Sir, this Bill, as you all know, has taken a long time to get to this point. It has taken the hard work of many people or many generations of people I should say who have worked very hard on this, and the discussions so far have been excellent. They have been very good from our distinguished colleagues from the Opposition. और खासकर मैं यह भी कहूँगा कि होती की बोली इन लोगों ने रंगीन करने की कोशिश की, परंतु जो हमारे सबसे अधिक विटी माननीय सदस्य थे, वह यहां नहीं हैं, इस कारण मैं थोड़ा निराश हूँ। वलिये जो भी कुछ हैं। इन्होंने अपने पैशन, अपने लंग पॉवर और अपने विट से कोशिश की है कि इनको स्टैटिस्टिक्स और कैपिटल मार्केट्स की जो जानकारी नहीं है, जो ज्ञान इन लोगों को नहीं है, उन्होंने अपने पैशन से उसको कवर करने की कोशिश की है। But there are many holes in their argument, which I will very quickly point out. But let me say the following: the wheel turns; world changes; new generations come; thinking evolves; but even though our thinking is evolved, even though we move forward, it appears that the thinking of many hon. Members in the Opposition is still mired in the past. While many of these ideologies and many of these thoughts are now in the dustbin of history, they want to resurrect them. &€; (*Interruptions*)

SHRI P.K. BIJU (ALATHUR): The United States also has changed.

SHRI JAYANT SINHA: Ideologies have changed.

HON. DEPUTY-SPEAKER: Mr. Minister, please address the Chair.

SHRI JAYANT SINHA: In any case, let me first come to the matter of statistics. Our hon. Member here was going through a lengthy recitation of certain numbers. He was suggesting that if you look at Foreign Direct Investment and if you look at insurance penetration, you can establish some

kind of causality. I would like to just remind him about his statistics, which is correlation. Hon. Member does not imply causality. So, between a time series of a just few data points to infer this kind of very deep causality, I think, will require you to go back to your statistics textbooks. That is not the way it works. In any case, you must understand that GDP is growing. As GDP grows, insurance penetration will necessarily decrease as a result of that. So, to infer causality in this fashion, even though you were very passionate about it, I do not believe that we should accept that.

Similarly, if you look at other data, if you look, for instance, data on insurance penetration around the world, you will find even though on life, we are doing reasonably well; when we look at general insurance and even if we look at the level of life in terms of 'cover *per capita*', it is very, very inadequate for what our people need. If you are truly concerned about our people, if you are truly concerned about our national interests, then it is very important for us to examine what we can do to increase insurance penetration. There if we have a basic understanding of what it takes to grow the insurance market, you will understand full well that it is absolutely important for us to secure all the capital flows that we can and get capital flows up to 49 per cent so that we can attract this capital to grow the industry. To grow insurance, because this is a financial sector and some of you have clearly demonstrated your inadequate knowledge of the financial sector, you have capital inadequacy requirements; you have capital reserve requirements; and if you grow insurance, you have to provision for it. If you provision for it, you need capital. Others have said that our business groups here may have the capital, may have the ability to provision for it and, therefore, grow the insurance market. However, our business groups are stretched for capital. ...(*Interruptions*)

HON. DEPUTY-SPEAKER: Let there be no comments, please. Let him speak and at the end, if you want, I will allow you. But please do not pass any comments.

SHRI JAYANT SINHA: If our business groups are not stretched for capital, many of our sectors would increase and move forward. ...(*Interruptions*)

HON. DEPUTY-SPEAKER: Generation has changed and, therefore, we should also change.

SHRI JAYANT SINHA: But we need this because our insurance penetration is low. If we look around the world, if you look at different sectors...(*Interruptions*)

HON. DEPUTY-SPEAKER: You have already expressed your opinion.

...(*Interruptions*)

SHRI K.C. VENUGOPAL(ALAPPUZHA) : Is it unparliamentary or not? You should expunge that. â€¦ (*Interruptions*)

HON. DEPUTY-SPEAKER: If at all any unparliamentary expression is there, I will go through the records.

...(*Interruptions*)

HON. DEPUTY-SPEAKER: I will go through the records.

...(*Interruptions*)

HON. DEPUTY-SPEAKER: Please take your seats. I am on my legs, please take your seats.

...(*Interruptions*)

SHRI M.B. RAJESH (PALAKKAD): What kind of arrogance is this?

SHRI K.C. VENUGOPAL: Is he the only knowledgeable person? Sir, is it unparliamentary or not?

HON. DEPUTY-SPEAKER: I am on my legs. You have already objected to certain things. I will definitely expunge it from the records. If it is unparliamentary, I will definitely expunge it. This matter is over now.

...(*Interruptions*)

HON. DEPUTY-SPEAKER: I have already given the ruling. If at all there is anything unparliamentary, I will expunge it. Mr. Minister, please address the Chair.

SHRI JAYANT SINHA: If you look at other sectors of the economy, if you look at banking, it allows for 74 per cent FDI. I see no reason why in insurance, we cannot have 49 per cent. If you look at FDI across the world whether it is Japan, South Korea, Hong Kong, China or Malaysia, all of them allow for FDI which is higher than 49 per cent. So, we are well within our global benchmarks; we are well within the global standards.

Now, hon. Members have also asked whether our concern for the poor is reflective in these recommendations that we are making here. We are bringing forward many different policies. We are making many different policies which are for the benefit of the poor. For example, the *Jeevan Jyoti* and the *Suraksha Bima Yojana* are intended for the poor and are intended to improve insurance coverage. It is in that spirit and it is in that light that we would like 49 per cent insurance in FDI so that we can provide more coverage to the people of India. ...(*Interruptions*) Sir, if I have caused any offence in terms of that, I apologize for that and I am sorry for that. I had no intention of doing that. I was just pointing out factual errors. ...(*Interruptions*)

HON. DEPUTY SPEAKER: He has openly said that he apologizes for that. What more do you want?

...(*Interruptions*)

SHRI K.C. VENUGOPAL: How can you allow that? ...(*Interruptions*)

HON. DEPUTY SPEAKER: He has already said that.

...(Interruptions)

SHRI JAYANT SINHA: Is it wrong to point out factual errors? If I have caused offence to anyone, I apologize. That was not the intention. If I have caused the offence, I apologize for that. I was just pointing out factual errors. ...(Interruptions)

HON. DEPUTY SPEAKER: He wants to say something. Let him say.

...(Interruptions)

SHRI M. VEERAPPA MOILY (CHIKKABALLAPUR): Sir, I would like to very rarely intervene in this matter. But, he is a young Minister. We have a lot of hopes on him. He was also in our Finance Committee. He is a very promising youth. But the manner in which he started, was shocking and alarming. The Ministers should be humble, at least he should be humble. He should start with humbleness and not with arrogance. I do not think this can be approved of. He goes on giving certificates to all the speeches made by the Opposition. Has he been authorized to go on giving certificates? I do not think that this can be allowed. This is a very bad trend. I think, he has to learn a lot. He has to withdraw all that remarks he has made against the Opposition. ...(Interruptions)

THE MINISTER OF STATE OF THE MINISTRY OF SKILL DEVELOPMENT AND ENTREPRENEURSHIP AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI RAJIV PRATAP RUDY): Sir, the point is well taken. The hon. Minister did realize that something came out of his mouth which was not required. He has apologized.

HON. DEPUTY SPEAKER: He has already apologized.

SHRI RAJIV PRATAP RUDY: He has openly apologized twice or thrice and the hon. Chair has said that he will expunge it. Let not Holi evening begin with so much of discomfort. I think, he has apologized. ...(Interruptions)

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI RAVI SHANKAR PRASAD): He knows very well that we all have the highest regard for the Opposition. Please do not forget one thing that he is also making his maiden intervention. He is a competent Minister. The matter ends there. Please allow him.

HON. DEPUTY SPEAKER: It is over. You go ahead.

SHRI JAYANT SINHA: Sir, the hon. Member Shri Moily is my senior. I have incredible respect. I have utmost humility for him and for other senior colleagues in the House. If I have offended anyone, I am sorry. They are very knowledgeable people here. I have my full apologies to them. I had no intention to disrespect anyone. I am just trying to point out the factual things that we need to consider. In that regard, I would like to say that it is important for us to recognize that we have to think again about this set of issues. We are doing this for the benefit of the people of India. We think that it is very important for the people of this country to have more insurance. We have been asked as to why indeed our position has changed. Our position has changed because in this new Bill that we have brought forward, we have made important safeguards for the way in which insurance companies are going to work, the way in which the Regulatory Authority is going to work, in which the full interest of all the people that are going to be covered through insurance are going to be protected. Therefore, we believe that this is a responsible and wise Bill that should be brought forward, that should be passed in this House and then taken forward to the Rajya Sabha as well.

Many Members have given excellent suggestions for example on crop insurance, on climate change insurance, on providing more talent for some of these insurance companies. We will consider those and we will certainly take them into account. I thank the hon. Members again for all their suggestions. I would like to ask all of them to support the Bill and pass it. Thank you.

HON. DEPUTY SPEAKER: Shri Jayadevan, would you like to press your Statutory Resolution?

SHRI C.N. JAYDEVAN : Yes, Sir.

Mr. Deputy Speaker, we have been fighting against this Insurance Bill for the last ten years. The Left movement in the country may be smaller than the right wing. But we were fighting against this Bill which is the death knell of Nehruvian vision of our economy.

Our country has to move forward. We are looking to the western countries saying that all the development is taking place in those countries. But we hear that in the western countries the economic crisis is more and more deepening. We have to serve our country. We were standing on our own legs with our nationalized insurance sector, we have our strong industries in the nationalised sector, and we have to go through that. It is the backbone of India. I think it is the death knell of Nehruvian plan of India. I object to it.

HON. DEPUTY SPEAKER: I now put the Statutory Resolution moved by Shri C. Jayadevan to the vote of the House. The question is:

"That this House disapproves of the Insurance Laws (Amendment) Ordinance, 2014 (No. 8 of 2014) promulgated by the President on 26th December, 2014."

The motion was negatived.

HON. DEPUTY SPEAKER: The question is:

"That the Bill further to amend the Insurance Act, 1938 and General Insurance Business (Nationalisation) Act, 1972 and to amend the Insurance Regulatory and Development Authority Act, 1999, be taken into consideration. "

The motion was adopted.

HON. DEPUTY SPEAKER: The House will now take up clause-by-clause consideration of the Bill.

**Clause 2 Substitution of references to certain
expressions by certain other expressions**

The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Clause 3 Amendment of Section 2

HON. DEPUTY SPEAKER: Mr. Karunakaran, are you pressing Amendment No.1?

SHRI P. KARUNAKARAN (KASARGOD): Sir, I press my amendment.

I beg to move:

"Page 2, line 22,â€"

for "forty-nine per cent."

substitute "twenty-six point zero one per cent." (1)

Sir, as discussed in the House today in detail, the Government has decided to increase the FDI cap from 26 per cent to 49 per cent. There is no justification for this increase. As far as my party or the Left parties are concerned, we are really against the 26 per cent itself because there is no need of that. If we go into the records of the earlier Parliament we had registered our protest against this increase.

Here the Government has decided to increase it again from 26 per cent to 49 per cent. That is what is called privatization and foreign companies also can come in. The foreign companies can open their branches here. This would really adversely affect our economy. So, I press my amendment and I hope the Government will accept it.

HON. DEPUTY SPEAKER: I shall now put amendment No.1 to clause 3 moved by Shri P. Karunakaran to the vote of the House.

SHRI P. KARUNAKARAN: Sir, I want Division.

HON. DEPUTY SPEAKER: Let the Lobbies be cleared –

ANNOUNCEMENT RE: AUTOMATIC VOTE RECORDING SYSTEM

SECRETARY GENERAL: Kind attention of hon. Members is invited to the following points in the operation of Automatic Vote Recording System. Before a Division starts, every hon. Member should occupy his or her own seat and operate the system from that seat only. When the hon. Speaker says 'Now Division', the Secretary General will activate the voting button whereupon red bulbs above display boards on both sides of the hon. Speaker's Chair will glow and a 'gong' sound will be heard simultaneously. For voting, hon. Members may please press the following two buttons simultaneously only after the sound of 'gong', I repeat, only after the sound of the 'gong'- Red vote button in front of every hon. Member on the head of the phone plate and any one of the following buttons fixed on the top of the desk of the seat:

For 'aye', green colour button

For 'no', red colour button

For 'abstention', yellow colour button

It is essential to keep both the buttons pressed till the second 'gong' is heard and the red bulbs on the plasma display are off. The hon. Members may please note that the votes will not be registered if the buttons are kept pressed before the first 'gong' sound and if both the buttons are not simultaneously pressed till the second 'gong'. The hon. Members can actually see their votes on display board installed on either side on the hon. Speaker's Chair. In case the vote is not there, they may call for the voting through slips. ...(*Interruptions*)

HON. DEPUTY SPEAKER: The Lobbies have been cleared. Now, I shall put the amendment moved by Shri P. Karunakaran to the vote of the House.

The question is:

"Page 2, line 22, -
for "forty-nine per cent."
substitute "twenty-six point zero one per cent."

The Lok Sabha divided:

DIVISION NO. 1 AYES 17.26 hrs.

Biju, Shri P. K.

Chaudhury, Shri Jitendra

Datta, Shri Sankar Prasad

@Jayadevan, Shri C. N

Karunakaran, Shri P.

Khan, Shri Md. Badaruddoza

Premachandran, Shri N.K.

Rajesh, Shri M. B.

Sampath, Dr. A.

Teacher, Shrimati P.K. Shreemathi

NOES

Adityanath, Yogi

Advani, Shri L.K.

Agrawal, Shri Rajendra

Ahir, Shri Hansraj Gangaram

Ahluwalia, Shri S.S.

Ananthkumar, Shri

Angadi, Shri Suresh C.

Badal, Shrimati Harsimrat Kaur

Baheria, Shri Subhash Chandra

Bais, Shri Ramesh

Bala, Shrimati Anju

Balyan, Dr. Sanjeev

Bhabhor, Shri Jasvantsinh Sumanbhai

Bhagat, Shri Sudarshan

Bhamre, Dr. Subhash Ramrao

@Bharathi Mohan, Shri R.K.

Bharti, Sushri Uma

Bhatt, Shrimati Ranjanben
Bhuria, Shri Dileep Singh
Bidhuri, Shri Ramesh
Birla, Shri Om
Bohra, Shri Ramcharan
Chand, Shri Nihal
@Chandel, Kunwar Pushpendra Singh
Chaudhary, Shri C. R.
Chaudhary, Shri Haribhai
Chaudhary, Shri P.P.
Chaudhary, Shri Pankaj
Chauhan, Shri Devusinh
Chautala, Shri Dushyant
Chavda, Shri Vinod Lakhmashi
Chhewang, Shri Thupstan
Choudhary, Col. Sonaram
Choudhary, Shri Babulal
Dattatreya, Shri Bandaru
Devi, Shrimati Rama
Dharambir, Shri
Diwakar, Shri Rajesh Kumar
Dubey, Shri Nishikant
Gaddigoudar, Shri P.C.
Gandhi, Shrimati Maneka Sanjay
Gangwar, Shri Santosh Kumar
Geete, Shri Anant Gangaram
Girri, Shri Maheish
Gopal, Dr. K.
Gupta, Shri Shyama Charan
Gurjar, Shri Krishanpal
Haribabu, Dr. Kambhampati
Jaiswal, Dr. Sanjay
Jat, Prof. Sanwar Lal
Jaunapuria, Shri Sukhbir Singh
Jayavardhan, Dr. J.
Joshi, Shri Chandra Prakash
Jyoti, Sadhvi Niranjana
Kaiser, Choudhary Mehboob Ali
Kamaraj, Dr. K.
Kashyap, Shri Virender

@Kaswan, Shri Rahul

Kataria, Shri Rattan Lal

Kateel, Shri Nalin Kumar

@Kaushik, Shri Ramesh Chander

Khadse, Shrimati Rakshatai

Khanduri AVSM, Maj. Gen. (Retd.) B.C.

Khanna, Shri Vinod

Khuba, Shri Bhagwanth

Kishore, Shri Jugal

Kishore, Shri Kaushal

Koli, Shri Bahadur Singh

Koshyari, Shri Bhagat Singh

Kumar, Dr. Virendra

Kumar, Shri K. Ashok

Kumar, Shri Shanta

Kundariya, Shri Mohanbhai Kalyanjibhai

Kushawaha, Shri Ravinder

Lekhi, Shrimati Meenakashi

Maadam, Shrimati Poonamben

Maragatham, Shrimati K.

Meena, Shri Arjun Lal

Meena, Shri Harish

Meghwal, Shri Arjun Ram

Mishra, Shri Bhairon Prasad

Mishra, Shri Janardan

Mohan, Shri P.C.

Munda, Shri Karia

Munde, Dr. Pritam Gopinath

Nagar, Shri Rodmal

Nagarajan, Shri P.

Nath, Shri Chand

Nishad, Shri Ajay

Nishad, Shri Ram Charitra

Nishank, Dr. Ramesh Pokhriyal

Oram, Shri Jual

Pal, Shri Jagdambika

Pandey, Dr. Mahendra Nath

Pandey, Shri Rajesh

Paraste, Shri Dalpat Singh

Parasuraman, Shri K.

Patel, Shri Devji M.
Patel, Shri Natubhai Gomanbhai
Patel, Shri Prahlad Singh
Patel, Shrimati Jayshreeben
Patil, Shri Bheemrao B.
Patil, Shri C. R.
Patole, Shri Nana
Prasad, Dr. Bhagirath
Radhakrishnan, Shri Pon
[@Raj](#), Dr. Udit
Raj, Shrimati Krishna
Rajoria, Dr. Manoj
Rajput, Shri Mukesh
Raju, Shri Ashok Gajapathi
Ram, Shri Vishnu Dayal
Ramachandran, Shri K. N.
Rathore, Col. Rajyavardhan
Rathore, Shri Hariom Singh
Rathwa, Shri Ramsinh
Rawat, Shrimati Priyanka Singh
Ray, Shri Bishnu Pada
[@Ray](#), Shri Ravindra Kumar
Reddy, Shri Konda Vishweshwar
Reddy, Shri Mekapati Raja Mohan
Reddy, Shri Y. V. Subba
Rijju, Shri Kiren
Rudy, Shri Rajiv Pratap
Sahu, Shri Lakhan Lal
Sai, Shri Vishnu Dev
Saini, Shri Rajkumar
Sanjar, Shri Alok
Sarmah, Shri Ram Prasad
Sarswati, Shri Sumedhanand
Senguttuvan, Shri B.
Senthilnathan, Shri P. R.
Shah, Shrimati Mala Rajyalakshmi
Sharma, Dr. Mahesh
Sharma, Shri Ram Swaroop
[@Shekhawat](#), Shri Gajendra Singh
Shetty, Shri Gopal

Shinde, Dr. Shrikant Eknath
Shirole, Shri Anil
Shyal, Dr. Bhartiben D.
Siddeshwara, Shri G. M.
[@Simha](#), Shri Pratap
Singh, Dr. Jitendra
Singh, Dr. Satya Pal
Singh, Gen. (Retd) Vijay Kumar
Singh, Kunwar Bharatendra
Singh, Rao Inderjit
Singh, Shri Bharat
Singh, Shri Bhola
Singh, Shri Brijbhushan Sharan
Singh, Shri Dushyant
Singh, Shri Ganesh
Singh, Shri Giriraj
Singh, Shri Kirti Vardhan
Singh, Shri Nagendra
Singh, Shri R. K.
Singh, Shri Radha Mohan
Singh (Raju Bhaiya), Shri Rajveer
Singh, Shri Rakesh
Singh, Shri Satyapal
Singh, Shri Sunil Kumar
Singh, Shri Sushil Kumar
Singh, Shri Uday Pratap
Sinha, Shri Manoj
Solanki, Dr. Kirit P.
Somaiya, Dr. Kirit
Sonkar, Shri Vinod Kumar
Sonker, Shrimati Neelam
Sonowal, Shri Sarbananda
Tadas, Shri Ramdas C.
Tamta, Shri Ajay
Tasa, Shri Kamakhya Prasad
Teli, Shri Rameshwar
Tomar, Shri Narendra Singh
Tripathi, Shri Sharad
Udasi, Shri Shivkumar
Utawal, Shri Manohar

Vardhan, Dr. Harsh
Venugopal, Dr. P.
Verma, Dr. Anshul
Verma, Shri Bhanu Pratap Singh
Yadav, Shri Hukmdeo Narayan
Yadav, Shri Laxmi Narayan
Yadav, Shri Ram Kripal
Yediyurappa, Shri B.S.

ABSTAIN

Basheer, Shri E. T. Mohammad
Dev, Kumari Sushmita
Ering, Shri Ninong
Gogoi, Shri Gaurav
Hooda, Shri Deepender Singh
Moily, Shri M. Veerappa
Mukherjee, Shri Abhijit
Pala, Shri Vincent H.
Ramachandran, Shri Mullappally
Ranjan, Shrimati Ranjeet
Thomas, Prof. K.V.
Venugopal, Shri K.C.
Yadav, Shri Jai Prakash Narayan

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HON. DEPUTY SPEAKER: Subject to correction*, the result of the Division is:

Ayes: 9

Noes: 177

The motion was negatived.

HON. DEPUTY SPEAKER: The question is:

"That clauses 3 to 102 stand part of the Bill."

The motion was adopted.

Clauses 3 to 102 were added to the Bill.

HON. DEPUTY SPEAKER: Shri Karunakaran, are you moving your amendment to clause 103?

SHRI P. KARUNAKARAN: I am moving it. I beg to move:

"Page 40, for lines 14 to 19,â€"

substitute "10B. The General Insurance Corporation and the insurance

companies specified in section 10A may, raise resources, other than equity capital, for increasing their business in rural and social sectors, to meet solvency margin and for such other purposes, as the Central Government may empower in this behalf, under the Insurance Act, 1938". (2)

I think, the Government can accept this because this is for the rural and the social sectors. So, I have moved this amendment.

HON. DEPUTY SPEAKER: I shall now put Amendment No. 2 to clause 103 moved by Shri P. Karunakaran to the vote of the House.

SHRI P. KARUNAKARAN: I want division.

HON. DEPUTY SPEAKER: The Lobbies have already been cleared.

The question is:

"Page 40, for lines 14 to 19,â€"

substitute "10B. The General Insurance Corporation and the insurance companies specified in section 10A may, raise resources, other than equity capital, for increasing their business in rural and social sectors, to meet solvency margin and for such other purposes, as the Central Government may empower in this behalf, under the Insurance Act, 1938".

The Lok Sabha divided:

DIVISION NO. 2 AYES 17.28 hrs.

Basheer, Shri E. T. Mohammad

Biju, Shri P. K.

Chaudhury, Shri Jitendra

Datta, Shri Sankar Prasad

Dev, Kumari Sushmita

Ering, Shri Ninong

Gogoi, Shri Gaurav

@Hooda, Shri Deepender Singh

Karunakaran, Shri P.

Khan, Shri Md. Badaruddoza

Moily, Shri M. Veerappa

Mukherjee, Shri Abhijit

Pala, Shri Vincent H.

Premachandran, Shri N.K.

Rajesh, Shri M. B.

Ramachandran, Shri Mullappally

Ranjan, Shrimati Ranjeet

Sampath, Dr. A.

Teacher, Shrimati P.K. Shreemathi

Thomas, Prof. K.V.

Venugopal, Shri K. C.

Yadav, Shri Jai Prakash Narayan

NOES

Adityanath, Yogi

Advani, Shri L.K.

Agrawal, Shri Rajendra

Ahir, Shri Hansraj Gangaram

Ahluwalia, Shri S.S.

Ananthkumar, Shri

Angadi, Shri Suresh C.

Badal, Shrimati Harsimrat Kaur

Baheria, Shri Subhash Chandra

Bais, Shri Ramesh

Bala, Shrimati Anju

Balyan, Dr. Sanjeev

Bhabhor, Shri Jasvantsinh Sumanbhai

Bhagat, Shri Sudarshan

Bhamre, Dr. Subhash Ramrao

Bharathi Mohan, Shri R.K.

@Bharti, Sushri Uma

Bhatt, Shrimati Ranjanben

Bhuria, Shri Dileep Singh

Bidhuri, Shri Ramesh

Birla, Shri Om

Bohra, Shri Ramcharan

Chand, Shri Nihal

Chandel, Kunwar Pushpendra Singh

Chaudhary, Shri C. R.

Chaudhary, Shri Haribhai

Chaudhary, Shri P.P.

Chaudhary, Shri Pankaj

Chauhan, Shri Devusinh

Chautala, Shri Dushyant

Chavda, Shri Vinod Lakhmashi

Chhewang, Shri Thupstan

Choudhary, Col. Sonaram
Choudhary, Shri Babulal
Dattatreya, Shri Bandaru
Devi, Shrimati Rama
Dharambir, Shri
Diwakar, Shri Rajesh Kumar
Dubey, Shri Nishikant
Gaddigoudar, Shri P.C.
Gandhi, Shrimati Maneka Sanjay
Gangwar, Shri Santosh Kumar
Geete, Shri Anant Gangaram
Girri, Shri Maheish
Gopal, Dr. K.
Gupta, Shri Shyama Charan
Gurjar, Shri Krishanpal
Haribabu, Dr. Kambhampati
Jaiswal, Dr. Sanjay
Jat, Prof. Sanwar Lal
Jaunapuria, Shri Sukhbir Singh
Jayavardhan, Dr. J.
Joshi, Shri Chandra Prakash
Jyoti, Sadhvi Niranjana
Kaiser, Choudhary Mehboob Ali
Kamaraj, Dr. K.
Kashyap, Shri Virender
Kaswan, Shri Rahul
Kataria, Shri Rattan Lal
Kateel, Shri Nalin Kumar
Kaushik, Shri Ramesh Chander
Khadse, Shrimati Rakshatai
Khanduri AVSM, Maj. Gen. (Retd.) B.C.
Khanna, Shri Vinod
Khuba, Shri Bhagwanth
Kishore, Shri Jugal
Kishore, Shri Kaushal
Koli, Shri Bahadur Singh
Koshyari, Shri Bhagat Singh
Kumar, Dr. Virendra
Kumar, Shri B. Vinod
Kumar, Shri K. Ashok

Kumar, Shri Shanta
Kundariya, Shri Mohanbhai Kalyanjibhai
Kushawaha, Shri Ravinder
Lekhi, Shrimati Meenakashi
Maadam, Shrimati Poonamben
Maragatham, Shrimati K.
Meena, Shri Arjun Lal
Meena, Shri Harish
Meghwal, Shri Arjun Ram
Mishra, Shri Bhairon Prasad
Mishra, Shri Janardan
Mohan, Shri P.C.
Munda, Shri Karia
Munde, Dr. Pritam Gopinath
Nagar, Shri Rodmal
Nagarajan, Shri P.
Nath, Shri Chand
Nishad, Shri Ajay
Nishad, Shri Ram Charitra
Nishank, Dr. Ramesh Pokhriyal

Oram, Shri Jual

Pal, Shri Jagdambika
Pandey, Dr. Mahendra Nath
Pandey, Shri Rajesh
Paraste, Shri Dalpat Singh
Parasuraman, Shri K.
Patel, Shri Devji M.
Patel, Shri Natubhai Gomanbhai
Patel, Shri Prahlad Singh
Patel, Shrimati Jayshreeben
Patil, Shri C. R.
Patole, Shri Nana
Prasad, Dr. Bhagirath
Radhakrishnan, Shri Pon
[@Raj](#), Dr. Udit
Raj, Shrimati Krishna
Rajoria, Dr. Manoj
Rajput, Shri Mukesh
Raju, Shri Ashok Gajapathi
Ram, Shri Vishnu Dayal

Ramachandran, Shri K. N.
Rathore, Col. Rajyavardhan
Rathore, Shri Hariom Singh
Rathwa, Shri Ramsinh
Rawat, Shrimati Priyanka Singh
Ray, Shri Bishnu Pada
Ray, Shri Ravindra Kumar
Reddy, Shri Mekapati Raja Mohan
Reddy, Shri Y. V. Subba
Rijju, Shri Kiren
Rudy, Shri Rajiv Pratap
Sahu, Shri Lakhan Lal
Sai, Shri Vishnu Dev
Saini, Shri Rajkumar
Sanjar, Shri Alok
[@Sarmah](#), Shri Ram Prasad
Sarswati, Shri Sumedhanand
Senguttuvan, Shri B.
Senthilnathan, Shri P. R.
Shah, Shrimati Mala Rajyalakshmi
Sharma, Dr. Mahesh
Sharma, Shri Ram Swaroop
Shekhawat, Shri Gajendra Singh
Shetty, Shri Gopal
Shinde, Dr. Shrikant Eknath
Shirole, Shri Anil
Shyal, Dr. Bhartiben D.
Siddeshwara, Shri G. M.
Simha, Shri Pratap
Singh, Dr. Jitendra
Singh, Dr. Satya Pal
Singh, Gen. (Retd) Vijay Kumar
Singh, Kunwar Bharatendra
Singh, Rao Inderjit
Singh, Shri Bharat
Singh, Shri Bhola
Singh, Shri Brijbhushan Sharan
Singh, Shri Dushyant
Singh, Shri Ganesh
[@Singh](#), Shri Giriraj

Singh, Shri Kirti Vardhan
Singh, Shri Nagendra
Singh, Shri R. K.
Singh, Shri Radha Mohan
Singh (Raju Bhaiya), Shri Rajveer
Singh, Shri Rakesh
Singh, Shri Satyapal
Singh, Shri Sunil Kumar
Singh, Shri Sushil Kumar
Singh, Shri Uday Pratap
@Sinha, Shri Jayant
Sinha, Shri Manoj
Solanki, Dr. Kirit P.
@Somaiya, Dr. Kirit
Sonkar, Shri Vinod Kumar
Sonker, Shrimati Neelam
Sonowal, Shri Sarbananda
Tadas, Shri Ramdas C.
Tamta, Shri Ajay
Tasa, Shri Kamakhya Prasad
Teli, Shri Rameshwar
Tomar, Shri Narendra Singh
Tripathi, Shri Sharad
Udasi, Shri Shivkumar
Utawal, Shri Manohar
Vardhan, Dr. Harsh
Venugopal, Dr. P.
Verma, Dr. Anshul
Verma, Shri Bhanu Pratap Singh
Yadav, Shri Hukmdeo Narayan
Yadav, Shri Laxmi Narayan
Yadav, Shri Ram Kripal
Yediyurappa, Shri B.S.

ABSTAIN

Patil, Shri Bheemrao B.

HON. DEPUTY SPEAKER: Subject to correction^e, the result of the Division is:

Ayes: 21

Noes: 179

The motion was negatived.

HON. DEPUTY SPEAKER: The question is:

"That clauses 103 to 108 stand part of the Bill."

The motion was adopted.

Clauses 103 to 108 were added to the Bill.

Clause 1, the Enacting Formula and the Long Title were added to the Bill.

HON. DEPUTY SPEAKER: The Minister may now move that the Bill be passed.

SHRI JAYANT SINHA: Sir, I beg to move:

"That the Bill be passed."

HON. DEPUTY SPEAKER: The question is:

"That the Bill be passed."

The motion was adopted.

HON. DEPUTY SPEAKER: The House shall now take up 'Zero Hour'. I would request the hon. Members to be brief.