

(viii) **Need to develop Sea Coast of Orissa and Chilka Lake**

SHRI BRAJAMOHAN MOHANTY (Puri): The sea coast of Orissa and coast of Chilka lake which is beauty spot in South-East Asia under undergoing environmental deterioration. Improper use of the sea beaches is increasing every day. The Chilka Lake also is being encroached upon in various ways. Some scientists have predicted that in near future if the process is not stopped, the lake will disappear and will lost its existence.

This part of Orissa is the centre of national and international tourism. This includes the sea coast of Konark, sea cost of Puri, sea coast of Gopalpur and Chilka Lake. The developmental efforts to have these places as centres of international tourism are quite inadequate. There are no connecting roads. A proposal to build a marine drive road from Konark to Gopalpur via Chikla is not being processed. This should be a part of the central plan. The Government of India should not shift the responsibility to the State Government as it will protect and preserve the ecological atmosphere.

Chilka Lake which is visited by many birds from many regions of the world is not being developed as a bird sanctuary. The outlet and inlet into Bay of Bengal are silted, as a result the fish from Chilka is not increasing adequately.

I, therefore, request the Union Government to take up the infrastructural development of all these places of tourist centres as a part of the central budget and take appropriate steps for protection, maintenance and development of the sea coast and Chilka Lake which is a ecological requirement. Steps should be taken for development of these places which will attract the international tourist throughout the year.

12.30 hrs.

GENERAL INSURANCE BUSINESS (NATIONALISATION) AMENDMENT BILL

[*English*]

MR. DEPUTY SPEAKER: This House shall now take up the General Insurance Business (Nationalisation) Amendment Bill for consideration and passing.

THE MINISTER OF FINANCE (SHRI S.B. CHAVAN): Sir, I beg to move:

"That the Bill further to amend the General Insurance Business (Nationalisation) Act, 1972, be taken into consideration."

As hon. Members are aware, with the nationalisation of Life Insurance in 1956 and that of General Insurance in 1973, Insurance has emerged as a backbone of trade, industry and commerce on the one hand and a power of security for the families on the other. Both General Insurance and Life Insurance have contributed to the industrial growth, economic activity and national growth to a very large extent. The purpose of nationalisation has been to give a better security and protection to the rural population of the country, give better service to the customers and to protect the activities in such a way that the savings of the community are mobilised in the best manner possible, eventually leading these savings into investment areas of socio-economic importance.

Talking of general insurance, in a span of 16 years since Nationalisation, general insurance industry has spread its marketing network to all nooks and corners of the country reaching out to all segments of society. Linkage have been established with banks and other agencies so as to provide insurance service at low cost to weaker sections especially in rural areas. Insurance

[Sh. S.B. Chavan]

of cattle, agricultural pump sets, package cover for the farmer and his belongings are but a few examples. Such insurance protection has ensured flow of bank credit to rural areas. Insurance on IRDP cattle and other livestock have played a substantial supportive role in creation of rural assets.

In the area of social security, our government has entrusted to general insurance industry the task of providing personal accident insurance cover for poor families in all our districts. Under this scheme, a compensation of Rs. 3,000/- is paid to the family with annual income of not more than Rs. 7,200/- in the event of accidental death of the earning member. The premium is borne by the Central Government.

Another social security scheme being implemented by the general insurance industry is the Hut Insurance Scheme for the very poor families in the rural areas under which a compensation of Rs. 1,000/- is paid in the event of destruction of the hut by fire and upto another Rs. 500/- for destruction of the belongings due to the fire. Here also the premium is paid by the Central Government.

I understand that the risk bearing capacity of the Indian Market has been reasonably sound and it is now possible to retain around 85% of the premium within the country. General Insurance Industry is one of the profit making enterprise in the public sector with sizable contributions to the socially-oriented sector. As the bulk of country's population lives in villages, this shall be a special target area for concentrated attention on the part of the general insurance business.

As the Members are aware, the general insurance industry has been growing from strength to strength during the past 16 years. There has been a substantial addition to the

free reserves of the corporation over the years given rise to consideration of the issue of bonus shares. Bonus shares were issued twice in the past—once in 1982 in the ratio of 1:1 and subsequently in 1986 in the ratio of 1:2 and as a result of these two issues, the Corporation's paid-up capital has now gone upto Rs. 64.50 crores. The present ceiling of Rs. 75 crores as authorised capital is now considered to be inadequate in view of the growth of the GIC and it is, in this context keeping in view the anticipated growth of the income and profits of the Corporation over a period of 10 years, that it is now proposed to amend the relevant Section of the Nationalisation Act so as to raise the authorised capital from the present limit of Rs. 75 crores to Rs. 250 crores.

In view of what I have stated about the back-ground of general insurance industry, its performance in the past and the tasks which have been assigned to them, the proposal of raising the authorised capital of the Corporation to Rs. 250 crores is eminently reasonable. I would, therefore, commend acceptance of the same by the House and request passing of the Bill so as to raise the limit of the authorised capital from Rs. 75 crores to Rs. 250 crores. Sir, I move.

MR. DEPUTY SPEAKER: Motion moved:

"That the Bill further to amend the General Insurance Business (Nationalisation) Act, 1972, be taken into consideration."

Now, Shri B.B. Ramaiah to speak.

SHRI B B RAMAIAH (Eluru): Mr. Deputy Speaker, Sir, this Bill is mainly intended for increasing equity of this Corporation from Rs. 75 crores to Rs. 250 crores. The Finance Minister just now mentioned by issuance of two bonus shares the existing equity has gone up to Rs. 4.5 crores. In order to issue

further bonus shares in future they would like to increase the equity capital to Rs. 250 crores. It is obvious and we support it.

At this juncture I would like to say a word about the performance of General Insurance. The purpose of General Insurance is mainly to help the people of this country especially weaker sections, trade and industry. So far it has not covered a large number of people in the rural sector. Though the Finance Minister just now mentioned about the latest policy of covering huts, cattle and various other things yet crop insurance has not come about. Crop insurance is very essential for the farmers. Though it was introduced yet it has been withdrawn at a number of places on the pretext that it requires proper evaluation. We have studied this problem carefully and we find the schemes that have been provided are on the basis of *mandal* level whereas they should be on the basis of village level. Further it has not covered so many commercial crops like cotton, tobacco, sugarcane, etc. I am of the view that they should take all these things into consideration if General Insurance has to help the people in the country and particularly farmers. Further General Insurance should help small business like poultry, fisheries, etc. These require to be properly guided. The premium that has been collected should be properly utilised for the benefit of the various development schemes and also the municipalities where they need money for water and drainage schemes, etc. These insurance companies can give houses on long repayment instalment basis to weaker and medium income group people. They can also take up large-scale housing schemes to be given to weaker sections on long-term instalment basis. They have also to take some essential decisions on the utilisation of funds for proper return to help country's progress and prosperity.

One of the most important thing, I feel, is quick action and decision. In 1983 and

1986 floods lot of Food Corporation's storage outside was damaged due to floods in Andhra Pradesh. Had they taken a quick decision they could have salvaged 60 per cent of the value of the goods which ultimately got completely damaged due to delayed decision. Further General Insurance should be helpful not only to the public but it should also be able to help small trade and business in the interest of country's progress. At this juncture I would also like to say that though we have competition in the General Insurance yet it looks to be artificial. The competition should be more practical and aggressive.

I would also like to mention a word about LIC which at the moment is in the nature of a monopoly. There is no competition at all. They need a lot of competition with one another. They also require to be cultured. They also require certain amount of efficiency and competition. I only feel that hon. Minister will take this part into consideration in helping the nation. These insurance companies should serve the people of this country. I thank you very much.

SHRI SHANTARAM NAIK (Panaji): Mr. Deputy Speaker, Sir, I stand here to welcome the General Insurance Business (Nationalisation) Amendment Bill, 1989. Its welcome feature is that the authorised capital is sought to be raised from Rs. 75 crores to Rs. 250 crores under the proposed Amendment Bill.

Just now, my learned colleague was speaking of competition in LIC business. In fact, I hold a sort of contrary view in the matter of general insurance in the sense that today there are various companies competing in this business. According to me, a time has come to see whether this competition in general insurance business is at all desirable. In fact, I would suggest that all these companies be merged into one so that a good machinery of general insurance for the

[Sh. Shantaram Naik]

benefit of the society at large is established.

Today, because of these various companies, hundreds of offices are opened and thousands of people are employed. Even when new posts are created, no minor posts are created. When posts are sought to be created, they are sought to be created of higher grades. Whenever a propose comes before a Ministry of improve certain things, proposals come to suggest to the Ministry that in case four officers are added or five posts are created of that rank, then the situation in a particular area will improve. This has nothing to do with the actual general insurance business. In fact, these companies are a wastage. Therefore, I would urge that all these companies which conduct the business of general insurance be merged into one company or one corporation or whatever it may be called.

Now, I come to the lower posts in the corporation or in the companies. Recently some advertisement has come in the State of Goa with respect to some 40 posts of clerical nature. For these 40 posts, an apprehension is being created there that on account of a lobby which exists, they do not propose to recruit the local people. Out of these 40 posts, not even 5 or 10 may go to the people of Goa. This is the apprehension which has been created. Several representations are being sent. By now, the Ministry must have received certain representations. The question is not that for these posts only Goans can apply. It is an accepted policy that people should get jobs nearer to their homes irrespective of what it is. For minor posts of clerks or peons, it should be see that preferably the local people are adjusted. There can be a percentage of those who are staying in the State for a very long time. But this policy has to be accepted as far as these posts are concerned and preference should be given to the local people. Otherwise, the

people of Goa may not feel that a company doing insurance business is there. They will not be cooperating. They may feel that it is an alien company unless local people are employed. Kindly look into this matter with respect to the recruitment for clerical posts in the State of Goa.

At the time of introduction, you have also mentioned about the personal accident scheme. It is a very good scheme. But all that I would say is that it has not been popularised. So far many people in the rural areas do not know the existence of personal accident benefit scheme. Therefore, I would suggest that the scheme should be popularised through the Panchayat system so that panchas and sarpanches are aware of the scheme. In villages wherever gram sabhas and other meetings take place, people should be told about the scheme so that some benefit, some monetary compensation is made available to those persons who come under the scheme.

Lastly, I would like to say about the hut insurance scheme. This is also a good scheme. In certain areas, people are aware of this scheme but by and large this scheme has not been popularised. Again, one question will arise with respect to this scheme on which Mr. Datta Samant may also throw some light. Supposing, a hut or a hut-like construction is existing on the land, which is built without any sort of permission which is required and it is possible that families stay there for years together, may be without the required permission of the Municipal Corporation, Panchayat or any bigger authority, will such huts be covered under this scheme? I think there may be some problem, because of which such huts may not be covered. But from the humanitarian point of view, even if such huts are there for which legal formalities have not been complied with, they should be covered under the scheme. In case, accidentally, it catches fire or gets destroyed, compensation should be given to it.

DR. SUDHIR ROY (Burdwan): Mr. Deputy Speaker Sir, the Bill is apparently innocent and there, there is nothing to oppose the Bill but we do not know the real intention of the Government since we have no faith in this Government. It is a fact that the General Insurance Corporation is making a good profit. It is not like most of the public sector units in India. We are afraid whether the reserved funds of this Corporation would be delivered by the Government as they did with the ONGC funds last year. Anyway, we are glad to learn that the GIC is extending benefits to the rural people. The Crop Insurance Scheme should cover the peasants in a large way. As our learned colleague, Mr. Shantaram Naik, said, though there is hut insurance scheme, many of the hut or slum dwellers are not aware of the scheme. The poor people who are living in the rural areas, we are afraid, seldom get the benefits of the loans advanced by the General Insurance Corporation. The fishermen, the people living in the rural areas, the people engaged in the agricultural sector should be helped more so that there may be genuine improvement in agriculture and other cottage industries. I want to make some queries and I hope the hon. Minister will reply to them when he gives the final reply to this debate.

Firstly, what is the quantum of reserve fund as on date? Secondly, does the Government think that in case of serious accident involving crores of rupees, the reserve fund for compensation is adequate? Thirdly, how many accidents did occur during the last five years in which the claims of compensation involved Rs. 1 crore and more? Fourthly, I would also like to know the percentage of reinsurance of the total volume of money insured, i.e., the percentage of reinsurance. Thank you.

[*Translation*]

DR. G.S. RAJHANS (Jhanjharpur): Mr.

Deputy Speaker Sir, there is not much to speak on as far as the content of this Bill is concerned but there are some points which need to be highlighted. Particularly in the case of crop insurance we have had a very bad experience. As my hon. colleague said, in his state crop insurance is done at the zonal level. In my state, Bihar, crop insurance is done at the district level and there is a lot of corruption in the process. In case of agricultural loans, crop insurance and payment of premium is necessary. But no compensation is paid to cover up the losses when the crops are damaged. On the plea that district is considered a unit for insurance purposes and there has been a rich harvest in the remaining panchayats and villages of the district. No compensation is paid if the harvest in any specific panchayat or village is adversely affected due to hail-storm, flood or drought. I would say that the poor farmers are being subjected to injustice. Therefore this matter should be carefully thought over. I have myself spoken to people engaged in general insurance companies at various levels. Hon. Shri Bhajan Lal has also expressed sympathy with our cause. It is believed that this will increase administrative work in the field of general insurance. It will become difficult to keep track of every panchayat and village. But there is no need to do so. B.D.Os officials and District Magistrates can report on the extent of damage to the crop in each panchayat after taking into account the production during the last three years. And this should be taken as the basis for payment of compensation. Otherwise a provision should be made where insurance should not be made compulsory for a person seeking a loan from a bank. On the one hand the Government collects premium and on the other refuses to pay compensation. Could there be a greater injustice? A number of people in my constituency have complained of this. Crop insurance premium is collected but when it comes to paying compensation it is not paid. This matter should be resolved in the interest of the farming community.

[Dr. G.S. Rajhans]

The hon. Minister rightly said that general insurance is very profitable. Naturally there will be profits if only premiums are collected and no compensations are paid. There should be job insurance in case of individuals employed in shops, working as tutor's or employed in private organisations. Insurance should be automatic in case of persons earning less than Rs. 500. This should be similar to the 'Hut Insurance' where the premium is paid by the Government. Persons engaged in minor jobs should be paid a reasonable compensation by the insurance companies if they lose their jobs. Something should be done to increase employment opportunities in the country. In rural areas it is generally believed that a person's career is a complete life in itself. So there should be insurance for persons engaged in minor jobs, for which premium should be paid by the Government.

Another thing I want to point out is that people in rural areas do not have any knowledge about general insurance. Villagers feel that advertisements in television and in newspapers are meant for city-dwellers and not for them. Wide publicity should be given to general insurance schemes at the village level. I have seen that even the district magistrate is not aware of what general insurance is all about. Once a fire ravaged 1000 huts in my constituency. When I asked the District Magistrate for compensation he expressed his ignorance in the matter. I told him that a legislation had been enacted in this regard in the Parliament and that it was surprising that he was not aware of it. Till now people have not received a single penny in compensation. I would say that along with the people, the officials too need to be educated.

Fire accidents are common during the summer months in our country. There are some parts of the country where floods occur

frequently. Minimum compensation should be paid by the Government to people in Assam, West Bengal and North Bihar where such calamities occur. This should be applicable throughout the country. This is because floods lead to tremendous devastation. In rural areas people should also be paid compensation for snake bites. There are thousands of such cases. Similarly, people are unaware of cattle insurance schemes.

In the end I agree with the proposal of increasing authorised capital. The hon. Minister and particularly the hon. Prime Minister want that benefits of general insurance should reach the poor. People in rural areas should be educated on the merits of general insurance. This can be done through hoardings and television programmes. T.V. programmes should be designed in such a manner so that the message of general insurance is spread in the most simple manner. For example, in case of general insurance payment of a nominal premium results in a large amount of compensation when a loss is suffered. Previously this system prevailed in the L.I.C. also. Today L.I.C. has a monopoly and a roaring business. Without the L.I.C. this sector would not have seen much progress. The general insurance business can be expanded it borrows a leaf out of L.I.C's book and introduces schemes for loans and housing projects. General insurance has tremendous potential. What is needed is imagination. People with social commitments should think along these lines. The proposal to raise the authorised capital is most welcome. While expressing my support for it I would like the general insurance system to benefit the people in rural areas in the real sense.

[English]

SHRI SOMNATH RATH (Aska): Mr. Deputy-Speaker, Sir, the General Insurance Corporation is a profit-earning undertaking.

Subsidy is being given to the rural people under the 20-Point Economic Programme. Under DRDA subsidy is given to the beneficiaries for purchase of cattle. The cattle are also insured under this programme. The Indira Awas are also insured to repair the damages caused due to natural calamities. However, the beneficiaries are not able to get the compensation in time. There are instances where months have passed and compensation has not been given to the beneficiaries whose cattle died or the Indira Awas were damaged or blown off because of natural calamities.

13.00 hrs.

So steps should be taken to see that those persons whose cattles are insured or the persons who are given the Indira Avas are given compensation.

Our Government and our Prime Minister, has given thrust to the agricultural sector and has tried to give sufficient assistance to the farmers. I request the Hon. Minister to have a comprehensive Crop Insurance Scheme because the Crop Insurance Scheme that is in vogue now is not complete by itself. It is applicable only to the persons who take loan from banks and not to all the cultivators. So, in the fitness of things, a comprehensive Crop Insurance Bill should be brought and it should cover all the cultivators of the country. That should be our first priority and I hope the Minister will reply to this point. I support their Bill. Thank you, Sir.

MR. DEPUTY SPEAKER: We shall adjourn now to reassemble at 2.00 P.M.

13.02 hrs.

*The Lok Sabha then adjourned for Lunch
till fourteen of the Clock*

*The Lok Sabha re-assembled after Lunch
at Seven minutes past Fourteen of the
Clock*

[MR. DEPUTY SPEAKER *in the Chair*]

GENERAL INSURANCE BUSINESS
(NATIONALISATION) (AMENDMENT)
BILL—*CONTD*

[*English*]

SHRI N. TOMBI SINGH (Inner Manipur): Mr. Deputy Speaker Sir, I rise to support this General Insurance Business (Nationalisation) Amendment Bill. Sir, insurance is a vast subject. But the Bill before the House gives only a limited scope to discuss upon. I would like to make a few observations by way of supporting this Bill.

Sir, this Bill seeks to increase the authorised capital from Rs. 75 crores to Rs. 250 crores to enable the Corporation to raise a few bonus issues. The Statement of Objects has made it very clear that the General Insurance business has done a good job during the last few years. Sir, a good performance by the General Insurance business means many things in the economic sphere of the country. The insurance agents collecting the premia have to motivate partly for this own interest, for their own promotion grounds as well as for certain economic needs of the society. We need a matching efficiency between the collecting staff and the settlement of claims. Reports are published from time to time that there is no matching efficiency. No doubt, the agents collecting the premia from different fields are popularising the philosophy, concept and the practice of insurance. They have given a very good performance and that is how we have been able to see the bonus issues and the need for raising the authorised capital. But there is the other side too. When it comes to settlement of claims, the agents themselves do not show even half of their sense

[Sh. N. Tombi Singh]

of cooperation and helpfulness to the customers. Maybe, there are certain exaggerations. But since the complaint has been alive for so many years that the settlement of claims is still a problem, I would like to suggest that the hon. Finance Minister should look into the need for matching the efficiency between the two sides.

The other aspect to which I would like to make a reference is about comprehensive insurance. It has been mentioned that after 1982, comprehensive insurances are not that comprehensive as they were before 1982. In this respect, when it involves immovable properties as well as vehicles, particularly in certain cases relating to the city of Delhi after the last riots, it has been reported that at the time of setting claims, different officers interpret the rules of insurance in different ways. This is certainly a very disturbing problem. We should take steps to remove these disturbing trends because the more quickly and easily they settle the claims, the better it is for the business of insurance. This will strengthen the sense of service which insurance as an organization needs, to reach all sections of the society. The insurance consciousness might be good particularly in metropolitan cities and State capitals, but in the rural and suburban sectors, the consciousness of the need for insurance, in whatever category it may be, is yet to be increased. So, we would like to see the Finance Ministry taking steps in this regard, so that consciousness among the people, particularly poorer sections of the people, backward sections of the society in the backward areas is increased.

I come from the north-eastern region where people feel that not much of insurance business is done; and whatever business is done, is done within the cities with the cooperation and participation of a few educated

people and officers—those who are in the know of things. But, then, the basic need of the society is that the benefit of insurance should reach all sections, particularly the rural population, farmers and low-paid staff. In order to reach these large sections of people, particularly in backward and hill areas like my State in the north-eastern region, we have to go a long way—by further organization, by further motivation and by appointing more effective agents. So far, the activities that are to be seen in these States do not seem to be adequate. So, I would like to suggest, particularly in the field of agriculture where agriculturists depend on the whims of the season, that the implementation of the crop insurance policy has to be properly organized, and the benefits reach the people in rural areas for whom they are really meant.

Because this is a limited Bill, I do not have much to say on it. I would like to support this Bill, with these few words, and I would request the Minister to give careful attention to the few suggestions that I have made. Thank you.

SHRI THAMPAN THOMAS (Mavelikara): This Bill is only for the limited purpose of increasing the share capital-base from Rs. 75 crores to Rs. 200 crores. But there is scope for insurance, especially General Insurance, being widened. I think that no earnest attempts have been made, as those made in other countries.

Many aspects can be brought under the realm of insurance, and confidence can be instilled in the minds of people that if they insure, they will be secure. In addition, the money which they collect as insurance premia can be utilized for the purpose of generating income, and for constructive purposes. On both these aspects. I find, on an analysis of the work done, that we have not come on par with the contribution made by other concerns in other countries.

If people in the General Insurance business have better resources, the first thing they will think of, will be to construct a good, beautiful building. This has been the trend of the industry in the country for the last few years.

I am wondering why this trend has been continuing. Even if the cooperatives have got some money with them, share capital with them or some other money available with them, immediately, they think in terms of constructing big buildings, high mansion and keep them as monuments. This trend will have to averted; this has to be stopped. This is not productive one. The money which we collect, which we mobilise, which we pool together, has to be utilised for the welfare of the people; that has to be invested for employment generation, that has to be invested for small housing schemes; that has to be utilised for other welfare activities rather than constructing a mansion everywhere. If you go to various parts of the cities in this country, you will see big towers belonging to different Insurance Corporations. One tower belongs to General Insurance Corporations. Second tower belongs to Life Insurance Corporation. The third tower belongs to a nationalised bank and son on. This is an old feudal system and a feudal approach. Ours being a socialist country, this approach has to be changed. The money which we collect from the people as a premium has to be utilised for the employment generation and for the welfare of the people.

One of the aspects in this is with regard to health insurance. The poor people in this country are not being looked after properly from the health point of view. What is the cover which we give to the people who are suffering from so many diseases? An insurance policy can cover very well the low income group people and the people who have no income. In this regard, we have not made any headway. I am proud to say that there is an insurance policy for cancer in

Trivandrum. This has been experimented by them. If a person pays Rs. 100/-, he is rest assured that he will be treated for cancer if he gets cancer. This has been attracted very much by the public. I am told that every citizen wants to joint that insurance policy. Now this cancer problem is, there because of the environment pollution and the way of living of the people and the circumstances which we provide for them are susceptible to such diseases. If there is an insurance for that, it will help them a lot, because everybody is afraid of this disease. Therefore, if somebody offers that there is an insurance to take care of health, then people are attracted. Therefore, such things have to be looked into by the Insurance Corporation; they should provide ways and means for this purpose.

Corrupt practices are existing in the General Insurance Corporation. I do not know whether any serious study has been made on this point. Who can get insurance money and how the money is distributed between the person who settled the claim and the person who gets it by filing a false claim? Even a small thing like a car accident or some damage done to a car or getting a building damaged by fire, all these things have been happening with the connivance of the people who are involved in it. These corrupt practices are very much there in our country. I do not know whether any serious attempt has been made to minimise these things; I do not know whether any study has been made about the role of the Surveyor, the role of the Informer, the role of the Analyst, as to how much these people are faithful to the causes and how much they do justice to the people who have no influence. Therefore, in this aspect, steps should be taken to see that corruption is eradicated from the insurance field, and every person who is entitled to get the benefit should get it.

I find no reason to oppose this amendment; I fully support this. But I only request

[Sh. Thampan Thomas]

that the reliance on this may be widened and the proposition may be worked out.

Regarding insurance law, an international insurance law is a sphere where lots of development have taken place.

Also, in this context, I would like to request the hon. Minister to look into the legal aspects of the insurance and its correlation with the international law and see how much we are defective or deficient in that law.

SHRI SHARAD DIGHE (Bombay North Central): I rise to support this Bill, the General Insurance Business (Nationalisation) Amendment Bill, 1989. I not only support this Bill, but I welcome it. This Bill, as has been stated by all the hon. members, seeks to increase the authorised capital from Rs. 75 crores to Rs. 250 crores. And the salient feature is that no budgetary support or contribution from the Government is being sought. The purpose of increasing the authorised capital of the General Insurance Corporation is to issue bonus shares from time to time. If we see the figures, the Government has subscribed equity capital to the extent of Rs. 21.50 crores and with the issue of two bonus shares the paid up capital stands at Rs. 64.50 crores. Now, the increase in the capital of the Corporation will enable it to pay a higher amount of dividend to the Government. Not only that: That will be in keeping with the international scenario where the capital base of insurance is being substantially increased. Today, general insurance is giving high profit and it is a high profit centre in the entire public sector. The profit before tax during 1987 amount to Rs. 400 crores and for the 15 months of 1988-89 it is expected to be round about Rs. 576 crores. It also pays higher taxes and I should say it is one of the highest tax-payer in the country. The income-tax it pays is Rs. 171

crores in 1987 and it is expected to pay Rs. 271 crores in 1988-89.

Therefore, to increase the base by increasing the authorised capital will give further impetus to this profit making Corporation and, therefore, it is a very laudable and welcome object. The ground covered so far by the General Insurance Corporation is, however, only a beginning, and many new innovative steps have been taken to make general insurance more meaningful to the common man. Many hon. members have already pointed out that what is required is a good propaganda. Though this General Insurance Corporation has several schemes beginning from the Crop Insurance Scheme, then the Personal Accident Scheme, the Social Equity Scheme, the Hut Insurance Scheme, Cattle Insurance, Medicare Policy etc., all these good schemes are there, but I am sorry to say that there is no propaganda about this scheme. This Hut scheme, etc., which are meant for the poor people are hardly known to the beneficiaries. Therefore, proper advantage is not being taken of those good schemes which are meant for the poor and the weaker sections of the society.

As far as the Crop Insurance also is concerned, it requires drastic modifications.

Several times public debates have taken place inside the House as well as outside the House where several good and ideal suggestions were made as far as Crop Insurance Scheme is concerned. But very little has been done to modify those schemes so that they will be really meaningful to the agriculturists, for whom they are meant. Now several other schemes can also be launched by this corporation. For example, they are intending to launch Housing Company Scheme also. And I will suggest that it should be done very expeditiously. Housing is an area where immediate attention is necessary and if the Housing Company Schemes are also introduced by the General Insur-

ance Corporation, it will go a long way in solving the housing problem of this country. Therefore, from this point of view, as I said, when we are making the base very sound by increasing the authorised capital, huge and innovative schemes will have to be taken up, fresh steps will have to be taken and various schemes will have to be added. To present schemes which have there will have to be reviewed and modified to meet the situation, which are meant for the poor masses. And as I said, the main requirement is the propaganda, as far as the various schemes are concerned.

With these words, I support this good Bill that has been moved by the Finance Minister.

SHRI HAROOBHAI MEHTA (Ahmedabad): Mr. Deputy-Speaker, Sir, I rise to support and welcome this Bill.

The suggested enhancement in the authorised capital was very much needed and I hope with the increase authorised capital, there should be no difficulty increasing the area of activities of the General Insurance Corporation and its subsidiary companies. Incidentally I would like to point out that there has been a longstanding demand to consolidate the four subsidiaries instead of allowing them to function separately. There is no such thing like competition in such a business and it would be conducive if consolidation of all the four subsidiary companies is taken up in right earnest.

Sir, many speakers have said about public education. I endorse that a lot of public education is necessary like public orientation scheme about accident insurance, hut insurance, etc. I would like to point out that the Government should consider imposing a duty on the police stations concerned by way of statutory obligation to inform the Insurance Company of any accident, fire to the

huts, etc. which is covered by the Insurance Scheme so that the Insurance company can take necessary action immediately. Just as the statutory obligation under the Workmen Compensation Act to inform the Labour Commissioners concerned any occurrence of accident, an obligation can also be laid at the door of the police stations concerned to inform the Insurance Company about the accident or fire to the huts, or any revenue officers who may in turn inform the Insurance Corporation of such occurrence. I will perhaps really extend the advantage of the insurance schemes to the people concerned. There is not much awareness and equipment on this.

Sir, the General Insurance Corporation may also consider introduction of insurance covering the payment of retrenchment relief and terminal dues. Many small and large scale units were closed without notice or without legal procedure. In many cases, retrenchment relief and terminal dues were not paid. A number of textile mills were closed in Ahmedabad and elsewhere, but the terminal dues to the extent of crores of rupees still remain unpaid. Just as Workmen Compensation is covered under insurance, why not the Insurance Corporation consider introduction of insurance covering the payment of retrenchment relief and terminal dues. I had a discussion with the management in this regard. I expect a good response from them also if a suggestion is made that there should be a requirement of monthly payment or regular payment of insurance to cover this insurance. In any case, the Corporation should guarantee the retrenchment relief and other terminal dues whenever a workman happens to be retrenched especially on account of closure of an undertaking. This will be a very beneficial scheme for the workers.

I may point out that still we have to get rid of complaints like delays, etc. In 1985 and 1986 communal riots I noticed that there was

Sh. Haroobhai Mehta]

a long delay in disposal of claims arising out of fire and arson cases concerning shops and houses. This should not happen. One of the motives that provoke certain communal elements to incite arson is to paralyse the economy of the minorities. Just as they grow on account of the public welfare schemes of the Government, at a very regular period of cycle these communal elements take care to ensure that small petty shopkeepers and other citizens of the minorities get ruined on account of arson and their business places and their houses are burnt. In such cases also the insurance companies are not quick.

Despite reminders there have been delays. At least in such an eventuality there should not be any delay. Any delay should be eliminated. Lot of exercise should be undertaken to ensure how the delays are eliminated at all stages. Delay also breeds corruption. One of the motives impelling to pay bribe is to eliminate delay so that they can get as much money as possible without delay. I will urge the Finance Minister to take steps to find out how delay can be eliminated all levels.

Many more innovations are necessary. As for example, at present there is no provision to cover the cases of injury that may be caused to tribals and other unorganised labour which are not strictly speaking, covered by the Workmen Compensation Act or State Insurance Scheme. For Tribals engaged in collecting minor forest product there is no insurance. There are cases where they apply to the forest corporation concerned. Since they are not employees of the forest corporation. Since they are not employees of the forest corporation, they cannot get compensation from anywhere. Why not the corporation extent benefit to such unorganised workers especially tribals?

Similarly, a comprehensive crop insur-

ance scheme to cover all the crops relating to marginal and small farmers, must be undertaken. Their economy is mostly subsistent agricultural economy. Once the crop fails, they do not have even the capacity to subsist. Why should not the Corporation cover the entire crops irrespective of the type of crop—mostly it is food crop? Let there be a comprehensive scheme covering all the marginal and small farmers in India. This is how lot of innovations can be considered.

Unemployment insurance should also be extended. At least let the employer pay the premium. Even the employed workers will perhaps be ready to make part payment in order to protect themselves against possible unemployment in future. There are lot of scopes for innovation. I hope when the Parliament unanimously accepts the Bill, the Finance Minister will come out with good announcements of further enlargement of the areas of activities of the Corporation.

[*Translation*]

KUMARI MAMATA BANERJEE (Jadavpur): Mr. Deputy Speaker, Sir, I support the General Insurance Business (Nationalisation) Amendment Bill. It is very good Bill. I also support the amendment made in this Bill to enhance the authorised capital from Rs. 75 crore to Rs. 200 crore.

Sir, with regard to this Bill, I want to draw your attention towards 2-3 points only. General Insurance Scheme is a good scheme and is very important for the welfare of the people but I would like to bring it to the notice of the hon'ble Minister that the problem of jobless workers is the major problem in our country. You are aware that when any industrialist set up any industry, he has to comply with various rules and regulations and in case of closure of the industry he gets all advantages to which he is entitled. But the workers, who become jobless, have to face great hardship. Nobody thinks about them. A

good number of workers have become jobless in Maharashtra, Tamil Nadu and Bengal also. If one lakh workers become jobless, their five lakh family members lose means to make their both ends meet. Such a situation has been created.

When any industrialist set up an industry, he has not to face any problem and he is given all sorts of encouragement but when some one closes it down, he takes to some other trade but the main sufferer is the workers. Therefore, you should cover under the General Insurance Scheme, the workers engaged in the private sector since they have no job security. They can be helped by the Government in case of closure of an industry. They may also enjoy some legal protection. It is a very important matter.

Shri Haroobhai Mehta just now referred to the accident scheme under which an influential person manages to get the money immediately but a person having no influence does not get justice. As you are aware, justice delayed is justice denied. Thus he does not get any benefit. There should be some time limit in this regard that if an accident occurs, the amount of insurance will be paid within two months. But there is a lot of corruption in the implementation of this scheme. Middle-men have entered into this field as well and their number is quite large. The cases in which the middle men are involved are decided quickly but these people charge too much commission. The case of a person who does not have any influence or contact is delayed very much. You should pay some attention towards this point also.

I would like to submit another point that crop insurance scheme of the Government is very good and is a revolutionary scheme. You should at least involve M.P.s in the scheme. You must involve people's representatives in the crop insurance scheme so that they may keep an eye on the farmers who get benefit and those who are not get-

ting any benefit but should get it. I have not been invited to any meeting so far. We do not know who gets the benefit and who does not. If some-one has been benefited, we do not have any information about. So you must involve people's representatives in implementation of the scheme. You may set a monitoring cell at the district level so that the farmers may get benefits of the crop insurance scheme.

There is one party political system in our State. Only C.P.M. supporter gets the benefit. The Central Government releases money to the C.P.M., but that money is not spent for the welfare of the people. Therefore attention should be paid to this point and opportunity should be given to us also to enable us to know that farmers who have grievances and who do not have grievances. We can bring their grievances to your notice. But some steps should be taken under the crop insurance to involve. The M.P.s in its implementation. You should set up a monitoring cell in each district for this purpose and include persons of political field in the cell. You should involve M.P.s of that area in each district even if the M.P. belongs to an opposition party. It will be useful for you also.

You have formulated so many schemes to provide benefit to the society. Your Ministry is also doing good work in this direction, but the persons, who are occupying higher posts, if they indulge in corruption, you should check it through vigilance and ensure that the benefit of this insurance scheme goes to the genuine persons. All the persons are not corrupt in any field but you will certainly find a few such persons in every sphere and you can identify them and you should take action against such people through vigilance. If anybody occupying higher post is found indulging in corrupt practices, you should hold enquiry against him through intelligence agencies and take action against him and terminate his services.

[Kum. Mamata Banerjee]

The issue of general insurance scheme is very important and this scheme is not for any individual. It is meant for the public, for the country and for the people. It is very good scheme, amendment is also equally good, but the points mentioned by shri Haroobhai Mehta and Dr. Rajhans are very beneficial for the workers. You should accept their suggestion even if you have to bring a comprehensive Bill for this purpose or make some amendments in this Bill. If you would pay a little attention towards this matter, it would be good for the country and for the people.

SHRI VIJOY KUMAR YADAV (Nalanda): Mr. Deputy Speaker, Sir, the General Insurance was nationalised about 16 years ago. The object of the demand of nationalisation of General Insurance has been achieved partly but not to be desired extent. The people of higher income group are getting more benefit from this scheme as before. The poor people of rural and urban areas, whose risks should be covered under the scheme and who deserve assistance from the Government are deprived of the benefit of this scheme. Some schemes have been formulated and some poor people also want to get benefit of those schemes but they are unable to do so. There is so much bungling in the matters relating to claim settlement, that I cannot explain it.

I presume that the suggestion given by Kumari Mamata Banerjee was meant for crop insurance scheme. I would like to say that some monitoring agency should be set up to settle the claims of the poor people and public representatives should also be included in the monitoring agency so that it may keep a watch over the disposal of cases properly and the benefits of the scheme are provided to the genuine persons and middle men should not be allowed to take advantage of the situation.

I want to bring one case of my constituency to the notice to the Minister of State in the Ministry of Finance. He had convened a meeting of M.Ps. of Bihar State 4-5 months ago to discuss the functioning of Banks and Insurance. In my constituency an animal of a poor man died and the post-mortem of the animal was also conducted. I sent the report to the hon'ble Ministry and complained that the person concerned has not been paid the amount of insurance. The hon. Minister had assured me that he would get it investigated. Later on he wrote to me that this was being investigated, but no action has been taken so far. (*Interruptions*). It is certainly the intention of the Government to benefit the people through this scheme and to cover the poor villagers, the labourers of the unorganised sector, the marginal farmers and the poor in general under this scheme. Though this programme has been implemented in most parts of the country, yet very nominal benefits are reaching the poor. They do not even get the minimum monetary gain which they are supposed to get. A number of people are not even aware of these schemes and quite a few people who are aware of them know that they are not going to get much of monetary benefit through them. In this connection, I would like to quote an example of the hut insurance scheme. An amount of Rs. 1000 is paid if somebody's hut is destroyed by fire. I would like to know from the hon. Minister whether it is possible to construct a hut with this amount in these days of high prices? The Government should raise this limit of Rs. one thousand to at least Rs. 5000. In the case of accident death, the Government pays Rs. 3000 to the family of the victim under the accident insurance scheme. The Government should increase this amount of Rs. 10 thousand. My submission is that the rate of compensation provided by the Government is not adequate and hence it should be increased. This should be made absolutely compulsory. There are nearly 40 lakh bidi-workers in the unorganised sector in the entire country. The Group Insurance Scheme

is in operation there but the benefit given through it is very meagre. Then the conditions laid down are such that the people have to face a lot of difficulties. I do not have the statistics for the entire country but if insurance cover has been provided the bidi workers. Their number is negligible. Similarly, the number of agricultural labourers is very large but the benefits they are getting are almost negligible despite the Government's policy of extending maximum benefit to them.

There is not even a single section of the people which is not demanding crop insurance. This scheme can prove to be a big service to our nation. The present situation is such that the insurance of factory is done to cover the risk and in case of fire even in a corner of the factory, compensation is paid. However, in the case of loss of crop, the district is taken as a base in Bihar. And even within the district, the crop loss should be 75 per cent so as to make it eligible for compensation. Such conditions are laid down by them. This condition should be waived and relief should be extended to those persons who have suffered loss. Unless some improvements are brought about in it, this will remain only a publicity gimmick that the Government has implemented the crop insurance scheme, but actually nothing is going to be achieved. This scheme is applicable only in case of persons who take loan but what would be the fate of a person who invests his own money and suffers loss? In such a situation, this benefit should be extended in general and such persons should also be covered by making amendment in the law.

Today the health problem in our country is as serious as the housing problem. A large number of people die due to non-availability of medical facilities. I feel that it will be a big service on the part of the Government if this scheme is compulsorily implemented for one and all. The poor people should especially be covered under this scheme so that after

40-42 years of independence, no person dies due to lack of medical facilities in our country. This is a stigma on our country's independence that even today people die due to shortage of medicines. The Government should consider this point and take suitable steps.

With these words I support this Amendment.

[English]

SHRIMATIBASAVARAJESWARI (Bel-
lary): Mr. Deputy Speaker, sir, I support and welcome the Bill which has been introduced by the hon. Finance Minister.

The main object of the Bill is to raise the authorised capital. Not only that. The institution covers a wide range of activities socially and economically. This being the important aspect of this Bill, I would like to give a few suggestions for the consideration of the hon. Minister.

It has been stated by various Members regarding crop insurance that as on today it is a very good scheme which would certainly benefit the farmers. As on today, insurance has been calculated taking the block as a unit which does not service the purpose. As you know very well, the climatic conditions differ from village to village and from field to field. Such being the case, the whole scheme has to be brought out in a very comprehensive manner. The scheme has to be discussed at various levels in various farmer's forum. Unless constructive suggestions come, I do not think the insurance scheme is going to benefit the real farmers. As on today, when the farmers take loans from the scheduled banks, the premium is deducted and they come under the purview of this. Farmers who do not borrow loans from the scheduled banks are denied of this opportunity. That is one aspect, about which we have to think very seriously. Whether a per-

[Smt. Basavarajeswari]

son borrows money from the Scheduled Bank or Cooperative Institution or whether he invests himself, it does not matter. But if the area comes under the same purview, it should be considered for Crop Insurance. As on today, we have included a very few crops. All the crops, irrespective of the system, have to come under the purview of this Crop Insurance Scheme.

The next aspect is the natural calamities. When we define natural calamity, we think whether the crop is destroyed by hail-storm by due to the failure of monsoon or due to some pest attack and then we cover it. There are other things which are there and we have to think very seriously about those things also. Of late, in my area, I think crops worth Rs. 300 crores have been lost due to mismanagement of the water system. The water which is supposed to flow in the system—in both sides, right and left side—of the Tungabhadra area could not reach due to various reasons. The entire crop has failed. More than Rs. 300 crores worth of paddy crop cultivated in 10 lakh acres has been lost. So, these kinds of things happen. I do not know as to how we should approach this problem. Not only the farmers who have borrowed money are not in a position to repay the loan but also they are in a difficult position to get further loan for the next cropping pattern. Further, we have to think as to how they could sustain such a loss. I do not know as to how to solve this problem. I would like to bring this to the notice of the hon. Minister. So, the difficulty may be caused due to natural calamities or due to the mistake of the farmer. But it so happens sometimes, due to which the farmers are put to a lot of difficulties. I know the hon. Minister hails from Maharashtra where a lot of flow irrigation is in practice. I think he will very much understand what I say in this aspect. It has happened very recently in my area. I do not know as to how the hon. Minister will

think to save such farmers from this difficulty. So, I would like to say that such farmers, who suffer from the natural calamities and who are not at fault, which I mentioned earlier, should also be brought under the purview of this Bill.

Sir, the General Insurance Scheme has been extended to pumpsets etc to cover the risk element. Sometimes, it gets burnt down. Several items have been covered under this scheme. But there is no proper publicity. Many people in the villages do not know whether such a scheme is there or not. Therefore, more publicity should be given. By doing that, we can cover all the rural areas.

We extend loans under IRDP and SEP. It is a risky scheme. We advance loans for the economic benefit of the weaker sections. Therefore, such people should get insurance coverage compulsorily. Many people in the rural areas borrow money. Even, ladies borrow money under IRDP scheme. They pledge their gold ornaments etc. They buy bulls or cattles or buffaloes. If there is any risk, they become helpless. They are not in a position to repay the loan. Under Self Employment Programme, poor unemployed graduates borrow money. Some risk element is always there. Therefore, I feel that they should also get the insurance coverage before they get the benefits.

Sir, many farmers have to go to dig wells. There is a lot of risk involved at the time of digging the underground wells. In spite of that, sometimes, water is not available. There is a provision to apply for the concerned banks or the financial institutions that if they do not get water, the amount which has been spent should be repaid. But there is a lot of procedural delays involved in it. It takes years together and the farmers is put to a lot of difficulty. Meantime, the farmers will get the repayment notice also. So, they are put to a lot difficulty. I would request

that before such a scheme is taken up, they should get the insurance coverage, since risk is involved. Therefore, I would like to request the hon. Minister to take due care in this regard.

Sir, as stated by some of my friends, there is a lot of corruption especially in the ginning and pressing factories. With the collusion of some of the officers, they try to get the insurance coverage. At least, the money should reach the persons who are very much affected. But it doesn't reach many people. With the collusion of officers, they share the money among themselves. Such things should be watched very vigilantly because this is a thing which has happened many times in my area where large amount of cotton is grown.

Therefore, with these words, I thank the hon. Minister for having brought forward this Bill. Thank you.

SHRI K.S. RAO (Machilipatnam): Mr. Deputy-Speaker, Sir, I wish to congratulate the hon. Minister. After seeing the continued good performance of this organisation and particularly of the General Insurance Corporation towards the Income-tax or the revenue that it is contributing every year, I am of the opinion that if hundred such organisation were to be there, I think, the entire revenue of the country can be collected. With Rs. 70,000 crores invested in the public sector undertakings and while income is only Rs. 7,110 crores with almost no investment or an investment of Rs. 21.5 crores, if the General Insurance Corporation were to contribute Rs. 271 crores as income-tax and also Rs. 576 crores of profit anticipated in 1988 of Rs. 400 crores already earned in 1987, it goes to the credit of the Finance Minister as well as to the management for which we cannot resist congratulating them.

I am grateful to you in particular, for the way in which you have come forward in

sending the message to the management calling the concerned officers to Vijaywada when the people were badly affected there by riots, particularly because of the failure of the State Government in maintaining law and order and also for the other reasons which you are aware of and which I do not want to repeat once again. Those people who do not have anything to do with the riots, the innocent people who are affected, both big and very small, when their claims were settled in a week's time or month's time, the confidence of the people in the Corporation has gone up; the confidence of the people in the Government of India has gone up substantially.

Similarly, let me tell you, if the foodgrains production of 134 million tonnes has gone up to 170 million tonnes, there is a contribution of this Corporation in infusing confidence among the farmers of the country. I can give you a practical example. Last year when there was a cyclone, when the paddy crops in my area were affected, the farmers could come forward to plant once again immediately, to go for second plantation immediately because of the confidence they had that if they were subjected to cyclone once again, they would get compensation. Had that confidence not been there, they would not have gone in for re-plantation and we would not have had this production of 170 million tonnes. So, I wish that you concentrate more on extending this activity to many more rural areas.

I take another example of the Cattle Insurance Scheme. Today if the poultry were to come up in such a big way and if an egg were to be available at Rs. 0.45 or at Rs. 0.48, it is because of the confidence of the poultry farmers in getting compensated with the insurance money which you are providing. We can say, if you concentrate on extending this scheme to several of the activities which are going on in rural areas whether it is fish, poultry, dairy or whatever it is, I do

[Sh. K.S. Rao]

not think, the income of the General Insurance Corporation will go down. on the contrary it would go up. I take another example.

14.59 hrs.

[SHRI SOMNATH RATH *in the Chair*]

Just now, my colleague belonging to Telugu Desam was telling you about the hut insurance that you have provided. It is a novel scheme actually and also a scheme which helps the poorest of the poor of the country. Recently, about 100 houses were gutted in my district. And when I approached the United Insurance Company, they told me that they were prepared to issue cheques to those affected in one day. But then I went to the MRO and the Revenue authorities of the State Government and told them that this was the promise made by the Insurance company. I asked them to give the names of the people who were affected or whom have fallen below the range of Rs. 7,200 or Rs. 4,900. But I am sorry to say that till now it has not been done.

15.00 hrs.

But it is not the mistake of the General Insurance. I wish that you must find a method or even ask the insurance people to go to the revenue authorities to infuse more confidence among the people, particularly among the poorest of the poor, to ensure that they are compensated immediately. If it is not done immediately, as my other colleagues said, it will not be helpful at all, even if you give it at a later date.

I don't need to highlight the hut insurance or the crop insurance schemes. About the crop insurance scheme, I request that this must be extended to all the crops and it must be not just at the Mandal level but at the Village level which the Government of India

is already thinking. Presuming that even if we have to lose initially on the crop insurance or the health insurance which you are providing now, when it becomes popular we will not lose. It takes some time for us to make it popular.

The poorest of the poor in the country cannot get the health security unless we go to their rescue. We will not lose over a period of time by even extending this to a poor man without getting any premium. As you have brought this social security scheme by which no poor man need to pay any insurance and yet on an accident he gets Rs. 3000/-, similarly without expecting any premium you must bring out some such scheme for health insurance also for the poor people. You can certainly put certain put certain limitations of income and all that.

Housing as we have thought and discussed time and again is a big field where we can provide employment. As you have suggested, it is being already thought over, by the General Insurance Corporation. I wish the Insurance Corporation must take up the housing scheme in a very big way which not only provides shelter for the poor; but also indulges in the activity of generating employment in the country by utilising the indigenous resources and technology which are available in plenty.

The increase of capital is not merely to increase it here. If you see the international scenario they will always look at the capital base of a company. In fact, you have now brought a proposal to increase Rs. 250 crores; but I wish it must be doubled. By doing so the re-insurance also can be done and we can even attract the international sector businessmen to come to our purview by which we can earn a lot of foreign exchange and we can also avoid other multi-national companies coming in and taking away the foreign exchange.

As some people have expressed some doubts, I went into the structure of the premiums also. When compared to the international levels, our premium is much low. As the case is, not only a hut, even a thatched house in a rural area can also be insured. If one rupee were to be the premium for a thousand rupees coverage, when this becomes popular every villager will invariably insure his house. This also gives employment. As you are thinking you can also give a thought to it.

The Postal Department has got EDA employees who are drawing only Rs. 250 to Rs. 500 a month. They work only for a couple of hours in a day; they are part-time workers. Similarly the health guides in the Ministry of Health are working in lakhs spread all over the country. They are also drawing only Rs. 100 or Rs. 200 a month. I am not saying that you must pay them a thousand rupees or two. I only say that if you spread this activity and popularise these schemes to the villagers and encourage the unemployed youth in the villages to take up this, that will be a means of improving their income. They can popularise the scheme and save the people also from the ills of fire or riots and all that. By this you will be increasing the activities. We will be only acting as a catalyst providing benefits to the insured, providing funds to the company and also to the Budget or for other purposes of development.

I am of the opinion that the activity can be compounded and multiplied substantially if you give a fillip to the management to bring about some more innovative schemes and double the business every year. It is possible. It is not an exaggeration. It is not a very big ambitious thinking.

The income limits of Rs. 4,800 and Rs. 7,200 are mentioned here. But, today, when you look at the present cost, it is too small. As my friend said, that insurance amount of Rs. 1500 is too small, you can also think in terms

of increasing it a little.

Similarly, Rs. 3,000 which is being provided to poor people who died in an accident or otherwise; can be increased a little, so that the dependants—not all of them, but some of them—can live.

You have an organisation here, which is praised not only by the ruling party Members, but also by the opposition Members. They have mentioned that some kind of check for corruption should be there at some level. This can certainly be taken care of by you by providing some checks.

I support this Bill wholeheartedly. You must extend it to every other rural activity and get the applause from all over the country.

SHRI BHADRESWAR TANTI (Kaliabor): Sir, by this Bill, it is intended to enhance the share capital from Rs. 75 crores to Rs. 250 crores. I support this Bill.

Ours is a welfare country and in a welfare country, every individual is supposed to be protected by the Government. It is said that there can be no social security without any social justice and there can be no social justice without any social security. So social security and social justice are reciprocal.

We have a good number of schemes under the purview of this Nationalisation Act. So far as my knowledge is concerned, the commonman, the poor man does not know about these schemes. You have not tried to motivate these schemes amongst the poor people in the country. We have a good number of insurance schemes, for example, motor accident insurance, fire accident insurance, cattle accident insurance, crop insurance, hut insurance, etc. By these schemes, as some Members already ventilated—people who are affluent, who are industrialists, who know about the laws and

[Sh. Bhadreswar Tanti]

those who can very easily go to the authority concerned, are getting advantage. But the poor people, who are suffering, do not get any benefit out of these.

I am citing one example. Three or four years back, a person who was a PWD muster roll worker, was working in the National Highway No: 39, Doigroong. He was a neighbour in my village and he died on the spot when he was knocked down by a speedy car while he was at work there. Unfortunately, his PF money and insurance amount etc., have not been settled as yet. His wife is now moving from pillar to post because she is illiterate, because she is poor, there is nobody to look into that.

There is a provision under these schemes. Perhaps most of the Members do not know about that—that is auxilium fund. What is the benefit out of this auxilium fund? For the auxilium fund on an application the DC has the authority to grant Rs. 5000/-. I do not know whether this amount has been increased further or not.

I have already said ours is a welfare country and we are committed to look after the suffering people but how many people in the country are benefited out of the auxilium fund. If you scrutinise you will find hardly a few people those who know the laws are getting the benefits. Those who do not know these laws do not get these benefits. In our country many people are suffering not only on account of damage to crops but also on account of accidents, natural calamities, cyclones, floods and earthquakes but there is nobody to look after them when they suffer. I do not know whether your scheme covers them or not but there must be adequate schemes whereby you rush help immediately to such suffering people otherwise these schemes have no meaning.

I would like to cite another example. So far as industrial workers are concerned I have seen people who retire from small industries or even big industries their PF money is not settled for years together. For years together this money has not been paid to these people. In tea gardens industrial workers get Rs. 13 per day in agency concerns and sometimes even less than Rs. 5 per day in proprietorial concerns. These people have got PF and insurance money in their accounts but surprisingly enough even after their retirement they do not get that money. I can give you hundreds of such examples. In Assam tea gardens the moment these labourers retire from service they are thrown out of their houses whereas their PF money does not get settled. You should look into it. You should make some specific provision whereby after their retirement they should get their PF and insurance money settled within six weeks. If they do not get the money for which they are insured then what is the meaning of their keeping the money in their PF accounts.

So far as organised sector is concerned they are protected but those who are in the un-organised sector like PWD workers working on the national highways, agriculture labour, etc. these schemes are not at all extended to them. On paper they are extended whereas in practice it is not so. I also feel those who are entrusted to look into the matter—particularly some of the officers—indulge into corrupt practices and make money like anything by squeezing the poor people. Those who are very poor and supposed to get the benefits have been squeezed by the officials in many ways. I feel that the officers do not cooperate with the Government nor do they cooperate with the people. I humbly submit that these schemes should be implemented in a practical manner. There should be checks and balances. We should stop corruption. We should also see that these schemes are properly extended to the poor people at the grassroot level.

[Translation]

SHRIGIRDHARILAL VYAS (Bhilwara):
Mr. Chairman, Sir, I support the General Insurance Business (Nationalisation) Amendment Bill. A number of insurance companies are functioning for different purposes. As submitted by several hon. Members, a number of companies which have increased their business have been included in it and keeping in view the benefits these 4 companies should also be included so that maximum number of people could be benefited. The way Government has gone ahead with this scheme, we all want that through such schemes, some arrangement should be made to solve the problems of the poor in our country. The Government has increased the authorised capital, which too is very essential. The Government should increase this amount to Rs. 500 crores or 1000 crores so that more schemes could be made operational by including the suggestions made by the hon. Members. A number of hon. Members have presented their views on crop insurance. This insurance cover is made available to only those land owners who take loan from the co-operative or scheduled banks. But even in such cases, very small compensation is paid in the event of loss. I would like to submit about my own state which has been experiencing successive droughts for the last 4-5 years. Crop is sown there every year but due to shortage of water it simply dries up after a few days of sowing. Had crop insurance been made applicable to all cultivators, the Government could have helped the people of Rajasthan by utilising this amount of Rs. 600 crores on insurance rather than spending it on making arrangements for their livelihood. This could have benefited them more. Therefore, it is essential to include such a provision in it. This will prove quite beneficial for the cultivators. A number of hon. Members have suggested that small and medium farmers should also be included in it. But why does the Government feel hesitant in including the other

people too under this scheme, who are engaged in cultivation and have to face losses due to natural calamities? Further, I would like to submit that loan is granted under I.R.D.P. for the purchase of two cows or buffalows or other animals. However, in the event of death of such animals, the concerned persons do not get compensation in time. Most of the people are not even aware of this scheme and they are unable to get the insurance done and, as a result, they have to face huge loss. The Government is running these programmes for poverty alleviation and in the event of death of their animals, compensation is not paid to them, as a result of which the person concerned turns poorer from poor. Therefore provision should be made to remove their poverty through this insurance scheme, so that people could buy cattle or other things to enable them to earn something under the I.R.D.P. I would like to make a submission about the insurance of hutments. During summer, they grow grass and store it near their hutments.

Sir, scores of jhuggis are reduced to ashes on account of fire during the summer season. But the owners of these houses do not get insurance money. There was a village consisting of 75 houses in my district. All the houses in the village were destroyed by fire. The district collector and the Government of Rajasthan on their own provided assistance to these people, but these people were not provided any help by the insurance agency for reconstruction of their houses. I am of the view that people whose houses are destroyed by fire should be provided financial assistance under the general insurance scheme so that they could re-construct their houses on the plots of land allotted to them under various rural development schemes. People should also be provided financial assistance by the insurance agencies so that they could be able to raise houses on those plots of land and become self-reliant.

Sir, a sum of Rs. 3000 is given in case

[Sh. Girdharilal Vyas]

a person dies in an accident. A sum of Rs. 3000 is too meagre to meet any requirement. Even if Rs. 3000 is put in a fixed deposit account, the interest accruing on this amount will be so meagre that no family can sustain itself with that amount. I, therefore, request that you must make some arrangement so that these people could be given some help for their subsistence. Some such provision should be made under the insurance scheme so that these people could be benefited.

Sir, you are well aware that 38 per cent people in the country are deprived of medical facilities. In the villages people die of various diseases and no arrangement has so far been made for their proper medical treatment. People in the villages have to face lot of difficulties for want of medicines.

For this, health insurance is absolutely necessary for them. People who cannot afford medical treatment should also be provided financial assistance. If a provision to this effect is made, the Health Department, the medical department will look after all these arrangements and unnatural deaths or deaths due to non-availability of medicines could be avoided.

Sir, a lot has been said about the amendment in the General Insurance Act and several hon. Members have made suggestions in this regard. Mr. Chairman, Sir, though I wanted to speak a lot, but I am going to conclude my speech since you are pressing the bell again and again. It is the intention of our Hon. Prime Minister to ensure that maximum relief is provided to poor people in this country so that they could be made self-reliant. The hon. Minister is also endeavouring his best for it. You can extend assistance on a large scale to the poor people and the farmers through this insurance scheme. I, therefore, request you to exert full force at your command in the execution of these

schemes and in extending them all over the country. The authorised capital of the scheme may be increased and it may be extended to new areas so that poor labourers, farmers, people belonging to Scheduled Castes and Scheduled Tribes, small and marginal farmers and other backward classes in the country could be helped in making them self-reliant. With these words, I support this amending Bill.

[English]

PROF. SAIFUDDIN SOZ (Baramulla): Mr. Chairman, Sir, I support this amendment. As the General Insurance Corporation of India has made many more bonus issues, the authorised capital has to be increased from Rs. 75 crores to Rs. 250 crores. In fact, they could increase it further. But when you talk of insurance, we are reminded of some problems. They do not arise from this amendment. It is a simple amendment which I support.

My hon. friend, Shri Thampan Thomas said why should they construct buildings. Why Not? My complaint is that the insurance offices operate in shabby environments. Very often, the required furniture is not there. I do not at all grudge a very good environments. They do not have proper furniture; they do not have chairs to offer to the clients. That is my grouse. Somebody should look into the facilities. The whole concept of insurance requires to be modernised. Even, the efficiency has fallen. Previously, they would alert you when you were late in paying the premium, but that is not there now. If you write them a letter, they would not answer. They are following the old method of keeping records. There is no weeding of records. Some of their records would be lying on the ground and some in almirahs. There is no micro-filming. They have not adopted it; they have not even adopted computers as yet. Insurance business is on the increase and they have a lot of profit, but they have not

modernized it. I want them to be alert themselves, and they should also alert the clients on the premia, the dates etc. People have to go there with their own records. They do not have proper records; they do not maintain it properly.

I know there is paucity of time and, therefore, I would go to the main points. In my State, they have not yet adopted the crop insurance. It is on paper. Some people say that crop insurance has not been implemented properly. In my state. It has not been started. I agree with Miss Mamata Banerjee's suggestion that M.Ps should be involved in this. In fact, the Members of Parliament are not being involved in any scheme. I do not know why crop insurance has not been implemented in Jammu and Kashmir. Then, media is not being involved at all. We are still following the old-heckneyed method of agents going about. They make a lot of money. Electronics media should be utilised by the General Insurance Corporation and other Corporations so that people understand how many schemes are there and what benefits are there. The agent goes with his diary; he tells something theoretical; he is not trusted so much. There should be a lot of propaganda on radio and television about insurance so that the people know of the various schemes. Urban population has benefited from insurance, not the rural population. We should make a start. Crop insurance, as I said, in Jammu and Kashmir should receive pointed attention of the hon. Minister. General insurance or other insurance, I want it to be related to social needs. In Universities, 99 per cent of it is related to research. It is not related to our social life. There was an article, 'Ph.Ds are dime a dozen' They have no value. You should relate it to social needs.

I would like to mention about one problem and I hope the Hon. Minister will consider it. It is about the Dal Lake. I think it is the finest lake which the human being could

expect on the land—well I am not comparing it with the lakes in Geneva, I am talking about India—but it is slowly shrinking. A lot of silt has accumulated there. You have 5 or 6 Insurance companies. I don't know why should you have 5 or 6 Insurance companies. Anyhow, We will go into that point at some other time. But, could you not invest money or could you not take up this project and prove to the world that we have cleaned the Dal Lake and all the encroachments have been removed and all those persons have been settled in the housing colonies? If you do that, then the whole country would know that here is an insurance company which has done something substantial. Otherwise it will go on in the old hackneyed way and it will never be related to the social needs in a substantial way.

In J&K State recruitment is faulty and I would like to bring this to the notice of the Hon. Minister. They by-pass the employment exchanges. The 15-point programme of the late Prime Minister for the amelioration of the minorities has been thrown to winds by the insurance companies throughout the country, particularly in J&K.

Finally, Sir, I would propose, feeling one with Mr. Harobhai Mehta who always speaks from the core of his heart and in the vein of a true nationalist, that we must do something for the people who suffer in the riots. I would suggest that there should be a special scheme to cover communal riots in our country because sometimes because of the economic interests people conspire to dislodge people in the small scale industrial sector. Therefore, there should be a special scheme to cover the victims of riots.

Thank you, Sir.

DR. DATTA SAMANT (Bombay South Central): Sir, I don't think this General Insurance Business is a healthy trend in our country. Everybody goes for it, especially

[Dr. Datta Samant]

where life is lost during accidents. There are insurance schemes of different nature. If you go on thinking in a negative way, I don't think we will reach anywhere. Therefore, I would say, it is not a healthy trend. On the contrary, suggestions are made for retrenchment, closure and such other things. Today one lakh sixty thousand industries are closed and about 1 crore workers are unemployed. I would like to know from where does the insurance money come. After all, it is a national money. The Chairman, Mr. Goenka in his Report has said that for modernisation and technology development the workers who are retrenched should be brought under the General Insurance Scheme. I would like to suggest not to have such big bosses here. I don't think they will practically do anything for the poor people. Let it be run by the Government. The big industrialists must be removed from this list.

Coming to the Bill under discussion, 66.2 per cent claims were made in 1986. In 1987 it has come down to 63.8 per cent. In 1987 there was a net profit of Rs. 65 crores and the assets of General Insurance had gone up to Rs. 800 crores. Hon. Finance Minister, you are really making a very good business with Rs. 75 crores as share capital. Therefore, all such profits should be properly utilised. The strength of this Insurance Company in 1986 was 55,700 and in one year by 1987, it had increased only by 9,000. They are treating the company as if it were their own kingdom, constructing big buildings and so on but recruiting only a few thousand people. All such things should be checked and this checking power must be with the Government.

I would like to mention another point about the agricultural insurance. In 1987, hardly 50 lakhs of farmers were covered under this agricultural insurance. The instalments paid were a meagre amount of Rs. 14

crores in 1985, Rs. 18 crores in 1986 and Rs. 22 crores in 1987. We are shouting so much about our farm people's insurance but hardly Rs. 15 to 20 crores worth of instalments were paid, even when the Central and State Governments share it on 2 : 1 basis. What are the claims? How many have been received so far? It is very important to know all these details because we are talking so much about agricultural insurance and extending all these benefits to our farmers and so on.

Another very important point is regarding workers and the payment of gratuity to the workers. A lot of suggestions have been made regarding the working class, closure of factories, etc. Prior to the closure of the factory, whatever gratuity that was paid by that factory should be deposited with the General Insurance Company. There is no harm if the Government collects it. Every year, companies are paying a certain percentage as gratuity and this should be deposited with the GIC. In 1988, there was a Bill on this aspect and there was a discussion in the House that the gratuity must be deposited with the General Insurance. But subsequently, the President had not given his consent to it. This shows the attitude of the Government which is anti-labour. Therefore, this clause should again be brought forward and the industrialists should pay the gratuity every year to the Insurance Company. At present about Rs. 2000 crores of provident fund money is with the Government. If the gratuity is to be deposited with the General Insurance, the Government is going to get a substantial amount and the interests of the workers will be protected even if the factory is closed because the workers would get at least that much gratuity. This is a very good and practical scheme and I do not understand why the Government is not accepting it.

As far as the amendment for increasing the authorised capital is concerned, I have

nothing to say and I give my consent to the amendment.

But, I again reiterate that Shri Ashok Goenka the Chairman should be removed and all self-styled functionaries in this Insurance Company should be removed keeping the national interest in view. Also, gratuity should be covered by the General Insurance and there should be proper checks on the running of this industry.

MR. CHAIRMAN: Mr. Minister.

SHRI BRAJAMOHAN MOHANTY (Puri): Kindly allow me to raise just one point please. When the question of claims comes, the Insurance Companies are relying on police reports and not on the judicial findings. Now, who should get precedence? I am writing a letter to the hon. Minister giving details of all such cases. For deciding the cases, who should receive precedence? Should it be judicial findings or the police reports? That is my point.

THE MINISTER OF FINANCE (SHRI S.B. CHAVAN): May I, at the outset, express my gratitude to all the hon. members from both sides of the House for supporting the Bill? Though, while supporting, every hon. member is good enough to suggest as to how the coverage of the GIC needs to be increased so that we would be able to serve a larger number of poor and unorganised people. At the same time, I must also bring it to the notice of the hon. members that the General Insurance Company is not a substitute for everything that is happening in the country. Actually, there are certain helpless people, people in the unorganised sector who cannot possibly, on their own, get the amount of relief which they expect either from the State Government or from the Central Government or from the General Insurance Companies. This is some kind of a solace that we are trying to give. It will be a very tall claim on my part to say that this is

going to be a substitute for whatever the State Governments have agreed. The State Governments are, in fact, expected to continue whatever relief measures are expected from the State Governments. So also, if the Central Government in different areas is giving some kind of a relief, they will have to continue it; and this is just a kind of a supplemental effort in certain directions. But we cannot also forget the fact that there are a large number of people who are unorganized, and who do not get any help from anywhere else. In fact, that is an area where we would like to go to their rescue.

A number of schemes have been started; and under a number of schemes, the beneficiaries are not supposed to pay the premium at all. The premium is paid by the Central Government. That is why they do not believe that such a thing can ever happen: the man is getting compensation, without payment of any premium. So, if anybody were to go to him and tell him: 'You are entitled for Rs. 3,000/-' he will say: 'Okay; I have not paid even a paise. How can I get Rs. 3,000/-?'

In fact, I am in full agreement with the hon. Members when they say that the publicity is definitely lacking. We will have to publicise this properly, so that those who are going to be the targeted group, the beneficiaries know full well that these are the benefits which are going to be available: Rs. 1,000 for a hut which has been burnt; Rs. 500 for the belongings which must have been destroyed. Under another scheme, they are entitled to Rs. 3,000/-. There are different kinds of schemes. For wells it is available; for pumpsets it is available. There are a large number of areas where these Schemes have been introduced; but there is no denying the fact that actually, some of the schemes are not known to the people. So, I fully concede the point that greater publicity will be required, and I will definitely ask all my officers to do it. (*Interruptions*)

[Sh. S.B. Chavan]

We will try to publicise as to what are the different schemes under which they can get the benefits.

I have not been able to understand it exactly: the hon. Member Dr. Datta Samant seems to have some kind of a grudge against the Chairman of GIC. This Chairman is one of the best persons I have come across. In fact, he is a very conscientious Chairman, who has been doing excellent work. There is no reason for that grudge. But if Dr. Datta Samant has personally got any complaint against him, certainly he can come to me. But to make a complaint in the House against him, without substantiating the same, looks rather odd. He is a very responsible Member. If he has any point, it will be better.....

DR. DATTA SAMANT: They charge 65%. It is going to be their profit. They are collecting more money, and distributing less. This cannot be the merit of the Chairman.

SHRIS.B. CHAVAN: I will give the hon. Member the details about it.

At least so far as my information goes, he has done very good work. And regarding the kind of premium about which the hon. Member was talking, may I bring to his notice that over the years, in respect of the claim settlement ratio in general, the general insurance industry has been showing improvement since 1984. The claims settlement ratio then was only 65.6%; but in 1988-89, it has improved to 78%. GIC is now continuing its efforts to improve it, to reach 80%. If it reaches 80%, certainly we should have a sense of satisfaction that it has reached at least 80% of the people.

I can't possibly say that there is no corruption while settling the claim; I can't possibly say that false claims are not being out, and with the collusion of the officers,

some of the people will definitely get away with the kind of money that is, in fact, expected from the Insurance Company.

So also I have not been able to understand why is it that some of the hon. members are saying, that for every accident that is taking place in the jurisdiction of a police station, it should be the responsibility of the police officer to inform about it to the General Insurance Company and the General Insurance Company has to reply on the report of the police officer that such an accident has taken place. They say that when some other thing happens, they inform about it to the GIC. What agency is to be there is a matter in which they have to go. I don't think that, if you exclusively give this authority to the police station to report in this matter, all kinds of things can definitely take place. Whatever little control GIC has been able to keep over the entire situation, will not be there. Ultimately, a survey has to be done by the GIC officers; they have to decide as to what kind of a claim is sustainable and thereafter report as to what needs to be done. I am in full agreement with you. I have got information with me which shows in how many days a claim has to be settled. After the entire information is available, within 10 days a claim has to be settled. I do not accept this proposition that all the claims are being settled within 10 days. There might be a number of cases where it has taken longer time, and longer the time taken breeds corruption; there is no doubt about it; and it is this area about which I will definitely seek the cooperation of the hon. members; making some kind of general observations here is not going to help in eradicating corruption. If any hon. member is aware of any fact that such a thing has happened, he should not try to generalise it; he should come to me, and give the information. I can assure you to the extent possible I will try to take stringent action against the officer who is responsible for indulging in corruption, provided I get *prima facie* evidence; without evidence, if I

take any action against any officer, that officer can approach the court and the order can be nullified by any judicial authority. That is why it will not be proper on my part to take any action without a *prima facie* evidence.

A point was made by some hon. members that a comprehensive crops insurance scheme has to be extended to a number of crops. In fact, we are considering all aspects of the question. I am in full agreement with one of the hon. lady-members who suggested that drastic changes will have to be brought about in the comprehensive crop insurance scheme. That is why we have to discuss it with the agriculturists also. Let them come and we will discuss with them; we will try to find out as to how best we should be able to help them, go to their rescue.

The scheme, as it stands today, has been slightly modified. This year, we are going to continue with this slight modification. Instead of 115 per cent, it will be 100 per cent. It is about Rs. 10,000 the ceiling that have put on it. So, that is a kind of scheme in which two-thirds will be contributed by the Central Government and one-third by the State Government. The beneficiaries are going to be all the banks which are going to get the money which is being collected through this method. I would not like to go into details. I have got the figures which clearly show right from 1985 onwards that the amount of premium we have received both from the States and the Central Government and the amount of claims that we have paid, there is no connection between the two.

AN HON. MEMBER: It is ten times.

SHRI S.B. CHAVAN: If it is not ten times, at least, it is not less than six times.

So, if we are going to give them six times more than the premium that they are paying, then, of course, the GIC whatever profit in

other sectors they might be making, will turn themselves into a loss-making company and that is why we have to have fresh thinking about the whole thing as to what kind of modifications are necessary, so that we are interested in continuing the scheme for one or two years. It should be a scheme which should be ever-lasting so that the benefits available under the scheme are made available to the small and marginal holders. Also, what is to be done is a matter which will have to be discussed and we will be able to prepare a more comprehensive scheme that was thought of. I think there I am in full agreement with the hon. lady member who definitely put forth a very forthright suggestion.

Another point which was made by Kumari Mamata Banerjee, the hon. member, was about the involvement of the public representatives while the claims are settled. I think there is some point in what she has said. The rest of the hon. members have also pointed out that it takes a very long time for settlement of the claims and even when the claims are being settled, one is not sure as to whether the entire money goes to the beneficiary or there are some intermediaries also who try to take advantage of the prevailing situation. There is no denying the fact that there are a large number of intermediaries who also try to take advantage. Especially when the poor people are not aware of the benefits under the different schemes there are bound to be intermediaries who will try to take undue advantage of the situation as it is prevailing. And that is why if some kind of a monitoring committee is set up, to some extent, it will definitely make a difference. Ultimately it depends upon the hon. members, it is for them to be present. But certainly I am not prepared to give these instructions, "wait till the member attends." I will not give that kind of an instruction. The members will be informed that these are the dates on which these matters are going to be settled. If you feel like attending the same certainly

[Sh. S.B. Chavan]

you can present yourself there." But they will not wait till the hon. members come to attend the meeting.

Some of the hon. members wanted to find out as to what is the percentage of the claims, which have been settled, of over one crore. What has been the total of pre-reserves with the GIC was the information they wanted. The pre-reserve amount with the GIC is—this is for the year January 1987 to December 1987—Rs. 201.02 crores, which is the total pre-reserve amount and about the number of total claims of above Rs. 1 crore, their number was 27 those involving an expenditure of more than one crore. These are 27 claims; some of them might have been settled; and some are still to be settled. This is the information that I have with me.

There was another question raised by an hon. member about the recruitment that is being done. I think hon. member Shri Naik made this point. It seems that in Goa they are having some kind of a recruitment of 40 to 50 people. I cannot possibly give him an assurance that it is only the Goanese who will be eligible for being recruited. Ultimately these are all all-India institutions. I can well understand that those recruits who know the local language should be taken. Knowledge of the local language is something understandable. If a Tamil man knows the local language, certainly I cannot exclude him. So also, if a Karnataka man knows the local language I cannot possibly say that he will not have a right to appear at the examination.

PROF. SAIFUDDIN SOZ: They have flouted the norms in the Jammu and Kashmir State, in my State.

SHRI S.B. CHAVAN: The hon. member has said a little while ago that this scheme has not been extended to that area. So, it will

be recruitment of a different kind.

There are number of other things which the hon. members have raised but I will try to explain the position on the main points. There is a longstanding demand of merger of different companies into a single company. That was also one of the issues which a number of hon. Members have referred to. Certainly I would like to go into the details to find out as to what are the advantage and disadvantages even in the public sector if a healthy competition is required, if there are good companies who are doing excellent work, merely because we would like to have one company and force them to go in for merger, whether it will be in the interest of the General Insurance business, that is a point with which I will have to go into the details. I cannot possibly give any kind of promise at this stage.

Sir, about retrenchment compensation and gratuity amount... (*Interruptions*)

DR. DATTA SAMANT: A good amount you will get... (*Interruptions*)

SHRI S.B. CHAVAN: I know what your problem is. I am fully aware of it. And that is why you cannot expect any commitment on my part. In the shape of helping the GIC, you are trying to get some money, from where I know. But there is no denying the fact the workers are entitled to some kind of an amount. Whatever it should come to GIC or not, that is a different matter. But under the garb of giving help to the GIC, you are expecting some money from some quarters. I am fully aware that they are entitled to the money. But there is a different forum for that. GIC would not be forum for that kind of money.

One thing which I have explained, and that is about influential and big people setting their claims very early and the poor people being left out. Some hon. Members

have talked about some kind of vigilance. I think, there is no better vigilance than the presence of hon. Members, which I talked about a little while ago. If they were to be present there, I think, it will be a very healthy practice and people also feel satisfied with the performance of the hon. Members of that area, that their hon. Members have gone to the extent of even presenting themselves before this committee, so that in their presence they will be able to do some kind of a monitoring and expedite certain matters where they feel some deliberate delay is taking place.

About the cattles which are being bought under IRDP programme were to die, it takes a very long time to settle their claims properly. These are the issues which the hon. Members have made. In fact there should be no reason as to why it should take such a long time. It should be possible for them to settle the claims when the matters are very strict. I am fully aware that there are a large number of middlemen, who in fact will also try to grab this IRDP money. Over and above that, they want to get away with this kind of compensation also from the GIC. This will be a double advantage, which some of these middlemen will be getting. And that is why, we should not allow this kind of a thing. But if the cattle of the honest people, who in fact have been doing their work properly, were to die accidentally then of course they are entitled to the claims being paid by the GIC. I will see that necessary instructions are issued to these officers.

Because of lack of time, I would not be able to cover the other areas. The hon. Chairman was very particular that I have to finish atleast a minute before 4'O Clock. Mr. Chairman, I scrupulously follow your instructions. I request the House to support this Bill.

MR. CHAIRMAN: The question is:

"That the Bill further to amend the General Insurance Business (Nation-

alisation) Act, 1972, be taken into consideration."

The motion was adopted

MR CHAIRMAN: We shall now take up Clause by Clause consideration of the Bill.

The question is:

"That Clause 2 stand part of the Bill."

The motion was adopted

Clause 2 was added to the Bill

MR. CHAIRMAN: The question is:

"That Clause 1, the Enacting Formula and the Long Title stand part of the Bill."

The motion was adopted

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

SHRIS.B. CHAVAN: Sir, I beg to move:

"That the Bill be passed."

MR. CHAIRMAN: The question is

"That the Bill be passed."

The motion was adopted

16.00 hrs.

ADJOURNMENT MOTION

[English]

Terrorist Activities in Punjab and Delhi

MR. CHAIRMAN: Now we take up adjournment motion for which leave has