

**SHRI SURENDRA PAL SINGH :** I introduce the Bill.

12.19 Hors.

**INSURANCE (AMENDMENT) Bill Contd.**

*Clause 6-Contd.*

**MR. SPEAKER :** The house will now take up further clause-by-clause consideration of the Insurance (Amendment) Bill. We have already taken 4 hours on this. There is 1 more hour left. Clause 6 and the amendments thereto are under consideration.

**SHRI NAMBIAR ( Tiruchirappalli ) :** The amendments I have moved are Nos. 49, 50 and 51 to Clause 6.

12.19½ hrs.

[ *Mr Deputy Speaker In the Chair* ]

Clause 6 is a very vital clause. So we need not be in a hurry to dispose of it. Cl. 6 deals with the matter of deposits dealt with under sec. 7 of the principal Act. Certain general insurance companies have got a very bad history. They are misappropriating the moneys of the public left with them. So Government have to take preventive steps to prevent this happening so that if at all the companies misbehave, the deposit money could be utilised for paying claims. That is the purpose of the clause.

By my first amendment, I seek to raise the amount from Rs. 150,000 to Rs. 500,000 in regard to the second; I seek to limit the extension to one instead of the present two and in my third amendment, I seek to raise the deposit to be made before application for registration from Rs. 10 lakhs to Rs. 50 lakhs. I shall explain them one by one.

Coming to my first amendment No. 49, it is to the proviso to (b) in cl.6, page 4, which says :

“Provided further that in respect of an insurer not having a share capital and carrying on only such insurance business as in the opinion of the Central Government is not carried on ordinarily insurers.....the deposit to be made by

such insurer shall be such amount, being not less than one hundred and fifty thousand rupees, as may be specified in the said order”.

I seek to raise this amount to Rs. 5 lakhs. My reason is this. Those insurers who deal with a crore of rupees and above are to make a deposit of Rs. 20 lakhs and those who deal with just a crore are to make a deposit of Rs. 10 lakhs. These insurers are doing miscellaneous types of insurance and we do not know how much claim may accrue. If the insured are placed at a disadvantageous position vis-a-vis the companies, there must be a sufficient amount of money to compensate them. For this purpose, Rs. 1,50,000 is too small, not even sufficient to pay one claim. In order to safeguard their interests, I seek to raise this amount to 5,00,000.

Now I come to my second amendment - this clause runs into 3 pages and is a very vital one. My second amendment is to the proviso to (1D) in p. 7 where two extensions are provided for in respect of any deposit or instalment of deposit required to be made by an insurer. This must be limited to one extension only, because if you go on giving extension, the money of the insured will be accruing and subsequently when a company goes into liquidation, the insured will suffer and Government will have to come to their rescue.

My third amendment is No. 51. This raises a bigger issue. As I said, this seeks to raise deposit to be made before the application for registration is made from Rs. 10 lakhs, to Rs. 50 lakhs, in page 8, line 2. I shall read out the item:

“(3) Where the deposit is to be made by an insurer not carrying on insurance business in India immediately before the commencement of the Insurance (Amendment) Act, 1968, a deposit of rupees ten lakhs shall be made before the application for registration is made, and the provision of clause (ii) of sub-section (1A) shall apply to such insurer after his registration as they apply to an insurer specified in clause (a) of sub-section (1)”.

My amendment is that Rs. 10 lakhs must be made into Rs. 50 lakhs. When

you are registering a new company, it may be a foreign company doing marine business or anything else. We do not know its implications. So, if you have only Rs. 10 lakhs and if one ship is missing or one claim comes in with cargo etc., this Rs. 10 lakhs will be nothing to pay the insured. Therefore, to be on the safe side and to see that the Indian citizens is not put to a disadvantage and also that the Government does not get involved in difficulties, this amount may be increased as suggested by me. After all it is a deposit, it will be deposited with the Reserve Bank, and it will also earn interest. Therefore my amendment may be accepted.

THE DEPUTY PRIME MINISTER AND MINISTER OF FINANCE (SHRI MORARJI DESAI): After hearing carefully my hon. friend I see no reason to change the provisions made here. In the first instance he says that in clause 6, a) (iii) in the proviso Rs. 150,000 should be substituted by Rs. 5 lakhs. This applies only to an insurer not having a share capital and carrying on only such insurance business as in the opinion of the Central Government is not carried on ordinarily by insurers under separate policies. Therefore, they are special cases and more than Rs. 150,000 is not necessary in my view. Therefore I cannot accept this.

Secondly in page 7 line 28 he wants that instead of two extensions only one should be given. When one extension is given, the second extension also might be necessary. When it is given it will be seen whether the person can pay it or not, and if he is not in a position to pay it, the second extension may be given. I do not think that two extensions are too much.

In the same way, where he wants Rs. 10 lakhs to be changed to Rs. 50 lakhs, I think it is only a jump. I do not consider it reasonable.

SHRI BENI SHANKER SHARMA (Banka): On Friday I moved an amendment regarding net premium and gross premium and also spoke on it, but the Hon-

ble Minister has not said anything about that.

SHRI MORARJI DESAI: That was also discussed in the Select Committee very carefully. I cannot accept it.

Mr. DEPUTY-SPEAKER: I put all the amendments to the vote of the House.

*Amendments Nos. 4 to 7, 32 to 34 and 49 to 51 were put and Negatived*

Mr. DEPUTY-SPEAKER: The question is:

"That Clause 6 stand part of the Bill."

*The motion was adopted.*

*Clause 6 was added to the Bill.*

Clause 7 — (*Substitution of new section for Section 9*)

SHRI P. GOPALAN (Tellicherry): I beg to move

Page 9, line 13,—

*after "insurer" insert—*

"except those incorporated or domiciled elsewhere than in India but registered in India". (71)

My amendment is a very simple one. I do not think that the Government has the courage to nationalise general insurance in the country. That is why I am moving this amendment. The clause as proposed in the Bill reads:

"Where an insurer has ceased to carry on in India all classes of insurance business, and his liabilities in India in respect of all classes of insurance business have been satisfied or are otherwise provided for, the court may, on the application of the insurer, order the return to the insurer of the deposit made by him under this Act."

My amendment seeks that this class of insurers has to be exempted from the

[ S. L. P. GOPALAN ]

benefit. This class of insurers are those who are incorporated or domiciled elsewhere but registered in India. The reason why I am moving this amendment is very clear. You know how these foreign insurers are operating in this country by employing legal as well as illegal methods. They were earning huge profits from our country. That is why I want these insurers whether incorporated or domiciled elsewhere than India to be exempted from this benefit. That means that the deposit they have made under the Act will not go to them, in case they wind up the business in India. I hope this amendment will be accepted by the hon. Minister.

SHRI NAMBIAR : I support this amendment I tried my best to see that the hon. Minister would at least agree to my amendment. The point here is once having deposited, if these elements wind up their show and go away, there is the risk of our insured not getting the amount, I suggest he will accept the amendment. At least repatriation of the amount to the foreign insurer will be stopped. At least to that extent, it will give relief to the persons affected. After all what we are discussing is against the foreign insurer. We are not discussing general insurance of America or any other country. It is Indian insurance. You must accept the amendments which will be helpful to the Indian citizens and the Indian Government. What objection should there be to this ?

SHRI MORARJI DESAI: My hon. friend has been correct in his assessment when he said that it is only to safeguard the Indian insureds and not others. I would have certainly accepted it, but I do not see any reason why there should be these fears. These are prejudices which are making him say this. There is absolutely no danger to the Indian insureds and the Government have sufficient power and methods to see that they are properly safeguarded. There is no danger to their interests. I can assure him about it.

MR. DEPUTY-SPEAKER: I will now put amendment No. 71 to the vote of the House.

*Amendment No. 71 Was put and Negatived.*

MR. DEPUTY-SPEAKER: The question is:

"that clause 7 stand part of the Bill"

*The motion was adopted, Clause 7 was added to the Bill*

MR. DEPUTY-SPEAKER : There are no amendments to clauses 8 to 10. I will put them to the House.

The question is :

"That clauses 8 to 10 stand part of the Bill."

*The motion was adopted Clauses 8 to 10 were added to the Bill*

Clause 11— (Insertion of new section 27B.)

MR. DEPUTY-SPEAKER : There is one amendment by Shri Kothari.

SHRI S. S. KOTHARI (Mandsaur) : I beg to move:

Page 11,

*after line 21, insert—*

"(ii) preference and equity shares of any industrial company which has been newly formed and approved by the Controller." (94)

I submit that certain insurance companies underwrite industrial equities of new industrial undertakings. If this clause placing restriction on investment under Sec. 227 (b) is put through, the effect would be that these companies would not be able to underwrite those shares because these new shares will not qualify according to the provisions laid down. The consequence would be that the money flowing from the insurance companies to these new undertakings would cease. The point is that the balance amount of 25% of the assets which are investible in unapproved securities are already taken up by the existing investment. I would submit to the Deputy Prime Minister to consider investment in

new shares as approved investments, subject to the sanction of the Controller. Let the Controller sanction the investment.

SHRI MORARJI DESAI: Sir, what he wants is that these companies should invest also in newly-started industrial companies. It is not certain what dividend they will give. How are the interests of the insurance companies to be safeguarded if they invest in those companies? I do not think it is necessary to go on extending investments to all kinds of industrial concerns.

Moreover, the insurance companies are not rolling in money so that they can invest it everywhere. It is best that they invest in those companies which are provided already in the Act,

I oppose the amendment.

MR. DEPUTY-SPEAKER: I shall now put the amendment to the vote.

*Amendment No 94 was put and negatived*

MR. DEPUTY-SPEAKER: The question is:

"That clause 11 to stand part of the Bill";

*The motion was adopted.*

*Clause 11 was added to the Bill.*

MR. DEPUTY-SPEAKER: There are no amendments to clauses 12 to 15.

The question is:

"That clauses 12 to 15 stand part of the Bill.

*The motion was adopted.*

*Clauses 12 to 15 were added to the Bill.*

*Clause 16:—(Insertion of new sections 33A, 34, 34A, 34B, 34C, 34D, 34E, 34F, 34G and 34H*

SHRI LOBO PRABHU: (Udipi) I am not moving my amendment,

SHRI N. K. SOMANI: (Nagaur) I move:

Page 24, line 2, for "to" substitute "after obtaining an order from a competent court of law to (45)

MR. DEPUTY-SPEAKER: Shri Digvijai Nath—absent.

Then, Shri K. Narayana Rao.

SHRI K. NARAYANA RAO (Bobbili) I move:

Page 22, line 15,—  
for "treaty" substitute "agreement" (95)

Page 22, line 18,—  
for "treaty" substitute—"agreement" (96)

Page 22, line 21,—  
for "treaty" substitute—"agreement"(97)

Page 22, line 26,—  
for "treaties" substitute - "agreements" (98)

Page 22, line 29,—  
for "treaty" substitute "agreement" (99)

Page 22, line 30,—  
for "treaty" substitute "agreement"  
(100)

Page 23, line 4,—  
for "direct" substitute "order" (101)

Page 23, line 9,—  
add at the end—  
"and any transaction by the insurer from the date specified in such order shall be deemed to be invalid." (102)

SHRI N. K. SOMANI: My basic objection is that if this section to which this clause relates is passed, as it is in toto, in addition the power that the Controller's office has, his office would also be vested with unlimited power and authority under the guise that somebody is likely to misuse this. One part of it is very strange. I can understand if you take action of seizure and search and any other legal action if a misdeed has been committed, but if you go through the section, you will find that "any illegal rebate or commission has been paid or is likely to be paid by an insurer" are the words that have been put in. Which officer or which authority can with any amount of certainty say that

[SHRI N.K. SOMANI]

an event is likely to take place and therefore, the action is to be taken. I am not going to justify such an action. This whole clause has been drafted in such a way that it gives tremendous powers to the Controller's office without much justification.

As I said, in the beginning, if an event takes place which involves fraud or misappropriation or misuse of money, you can certainly impound upon the company with any authority that you have, but to justify a Controller's action in this regard stating that an event is likely to take place, I think, is getting too far. Even then we are prepared to arm the Controller's office with this power provided he goes to a court of law and produces *Prime Facie* evidence that such and such an act is likely to be committed. Therefore, in respect of seizure or search or any other action by the Government, if the court is satisfied, then, the Controller is entitled to take action.

In sub-section (e) of Section 34H, it has been mentioned thus : "any claim which is due to be settled by an insurer..." I have no objection to that. But when you say "...or is likely to be settled at a figure higher than a reasonable amount, or," it is very vague; it arms the Controller with disproportionate powers, saying that it is "likely". Therefore these powers are likely to be tremendously misused. So, my amendment is to the effect that action could be taken after a court's order has been obtained.

SHRI K. NARAYANA RAO : My amendments are technical. There is reference to the expression "treaty" or "treaties" in the context of the reinsurance with other countries. Normally, treaties are concluded with sovereign States or between countries in the international world. In the case of companies, "agreement" or 'arrangement' would be a better expression. It should be "agreement", rather than "treaty" or "treaties". My amendments therefore are to the effect that the word "agreement" should be put in, in the place of the word "treaty" or "treaties" as the case may be.

MR. DEPUTY Speaker-Shri Morarji Desai.

SHRI NAMBIAR : Sir, this is an important clause. We must be allowed to speak on it.

MR. DEPUTY--SPEAKER : It would be difficult; I must avoid the repetition of speeches. It has to be guillotined.

SHRI MORARJI DESAI : The hon. Member has said that the Controller has been armed with very large powers. The Controller cannot be immune to supervision by Government. He is always under the supervision of Government. Therefore, he cannot exercise any of these powers arbitrarily.

If he does so, Government has enough powers to see that it is checked. But it is necessary to prevent some actions from taking place rather than take action after they have taken place. Therefore, I cannot accept this amendment.

As regards 'treaty' and 'agreement'. I do not see why there should be any change, in insurance parlance, the word used is 'treaty' and not 'agreement'. Therefore, the word 'treaty' has been kept here.

MR. DEPUTY--SPEAKER : I will now put all the amendments to vote.

*Amendments Nos. 45 and 95 to 102 were put and negatived*

MR. DEPUTY-SPEAKER : The question is :

"That clause 16 stand part of the Bill."

*The motion was adopted  
Clause 16 was added to the Bill.*

MR. DEPUTY-SPEAKER: We have to dispose of more than a hundred amendments. May I know whether Government is thinking of accepting any amendment ?

SHRI MORARJI DESAI: No. Sir.

MR. DEPUTY-SPEAKER: Then, I would request hon. members to indicate some important clauses where speeches are necessary and amendments need to be pressed. On those clauses I will stop and

permit speeches. Instead of guillotining all the clauses, I can make these adjustments.

SHRI LOBO PRABHU: Clause 17.

SHRI NAMBIAR : Clauses 17, 29, 37 and 40.

SHRI S. S. KOTHARI: Clause 22.

MR. DEPUTY-SPEAKER: In this way, you are more or less covering all the clauses.

SHRI BENI SHANKER SHARMA: Clause 18.

MR. DEPUTY-SPEAKER: All right. No other hon. member wants to press for discussion on the other clauses.

श्री देवेनमेन (भासनसोल) : उपाध्यक्ष महोदय, सदन में कोरम नहीं है।

MR. DEPUTY-SPEAKER: The bell is being rung.

Now there is quorum.

Clause 17—(Insertion of new section 37A)

SHRI LOBO PRABHU: I beg to move: Page 29, line 4,-

after "may" insert

"after considering any representation made by the insurer or transfer insurer". (29).

SHRI NAMBIAR: I beg to move: Page 26,-

omit lines "13 to 15". (52)

SHRI LOBO PRABHU: We are fortunate that the Finance Minister and Deputy Prime Minister is himself present here to pilot the Bill. I would like to take up only certain points which have not been touched in this House earlier. I am concerned, just as the Finance Minister is concerned, with social control of insurance. I would like to know from him how certain provisions of this Bill help that social control.

The Bill proposes to reduce the commission of one class of insurance agents from 15 to 5 per cent. It is, therefore, going to favour not a small class like the insurance agents but insurance companies. This difference between 5 and 15 is going to the insurance companies. I want to ask the Finance Minister if this favouring of insurance companies is any kind of socialisation. If, for instance, that saving between 15 per cent and 5 per cent had been passed on to the public by a reduction of the premium then there would have been some socialisation.

Now I take the next point. What is this Act going to cost? According to the Financial Memorandum it is going to cost Rs. 25 lakhs annually and it may cost Rs. 30 crores in case all insurance companies are nationalised. From whom is this Rs. 25 lakhs going to be recovered? Rs. 10 lakhs are going to be recovered from the same agents whose commission has been reduced. Is this social control? Is it socialism that a class from whom you have already cut down their share is asked to pay something more for supporting the staff maintained by the Government? The remaining Rs. 15 lakhs are going to be recovered from the insurance companies.

Now my third point is this. Where are the insurance companies going to get the finances for this and for other purposes? The Finance Minister has reduced their discretion to make their investments from 100 per cent to 25 per cent. Now they have to invest their resources in securities which have a very low rate of interest. What is going to be the result? The premium is going to be raised. Is this socialism? This is bad enough. So, what I would say to the Finance Minister is this. He has done something which may be of advantage to the country when he has brought insurance under control. But he could have brought insurance under the control of the Companies Act. He has not agreed to that. Even so, let this Bill not go down as an anti-social Bill. This what I am going to emphasize, because the Finance Minister is favouring the big insurance companies against the small agents.

Now I come to my amendment which relates to a small matter of the scheme

[ Shri Lobo Prabhu ]

for amalgamation. When the scheme comes to government from the Controller, he will have his consultative committee, but there is no provision for the parties concerned to represent their case before government. Now, in the amended section 110, there is a provision for appeal against any order of the Controller, but there is no provision for appeal or representation when the scheme comes up to the government. I would like the Deputy Prime Minister to concede that before he passes the order, the insurers concerned, those who are going to be transferred or those who are transferors they should have the right to make their representation on the totality of the recommendations because, no doubt earlier they can object to the Controller, but once the Controller makes his scheme, then there is no provision for their representation to the government. So I would like the Finance Minister to concede this small amendment that before passing orders Government gives the parties concerned an opportunity to represent and submit their objections.

SHRI NAMBIAR: I have got a little different opinion from that of Shri Lobo Prabhu, with all my respect to him. He is, of course, very, very earnest in his desire but, unfortunately, his desire does not coincide with the desire of the people.

SHRI LOBO PRABHU: Of the Communists.

SHRI NAMBIAR: Clause 17 is an amendment to section 37 of the original Act and, as the short title of it will show, the scheme is about the power of the Controller to prepare schemes of amalgamation. Amalgamation is required because one company is very bad and has to be either liquidated or put an end to. The Controller, after studying all the pros and cons, may in his wisdom come to the conclusion that it can be done by amalgamation rather than liquidating it. Shri Lobo Prabhu does not want to have amalgamation at all.

SHRI LOBO PRABHU: No, no.

SHRI NAMBIAR: He wants to have amalgamation subject to appeals and other things.

MR. DEPUTY-SPEAKER: Please come to your amendment.

SHRI NAMBIAR: My amendment, No. 52, seeks to omit lines 13 to 15 on page 26. There is a proviso in this clause which is a very dangerous thing. When it is a question of amalgamation it must be amalgamation of one company with another company. But here the proviso says:-

“Provided that no such scheme shall be prepared unless the other insurer has given his written consent to the proposal for such amalgamation.”

Here the question of amalgamation is completely taboo because, if this proviso is accepted, the other insurer will not accept amalgamation. The two may collude and it will not come to an end; amalgamation will come into being. When you think of amalgamation, you do it. Why do you make it a condition precedent, written in letter that it cannot be done without the written consent? Nobody will come forward for amalgamation.

AN HON. MEMBER: It is a marriage.

SHRI NAMBIAR: Even in the case of marriage, there is no forcible marriage. Nothing can be done forcibly. Even here, without this proviso being there, it will be found necessary to get the opinion of the other side. That is natural justice and it goes without saying. But by putting in this condition, it will become impossible. The whole scheme of amalgamation will be jeopardised by accepting this proviso. Therefore my submission is that this proviso be deleted. At the time of amalgamation, when the Controller decides he can pick and choose with which company amalgamation may be possible. He can enter into negotiations with that company and persuade that company. On merits that company will accept. Otherwise, it will become impossible and the provision will become infructuous.

The hon. Finance Minister is busy talking to the Prime Minister to which I cannot object. I can understand that the Deputy Prime Minister and the Prime Minister will have to discuss various matters, but at least he must apply his mind to the subject and agree to the deletion of the proviso whereby amalgamation will become possible; otherwise it will become impossible.

SHRI MORARJI DESAI: May I say that amalgamations, if they are forced against the desires of the companies themselves, can create a lot of difficulties? This was discussed very much in the Joint Committee and as a result of the discussion this proviso was accepted. I do not see why there should be any forcible amalgamation. If it is in the interest of the company, it will certainly agree. If a company is doing something wrong and Government wants to amalgamate it, the company with which it is to be amalgamated can also be a Government company. There are Government companies which will immediately say, 'Yes'. Why should private companies also not agree to it? There are ways and ways of doing this. Ultimately if they do not carry out things properly and do not work under the Act, they can also be taken over. There are all those provisions and my hon. friend need not be worried and afraid about it.

SHRI NAMBIAR: Even without the proviso it can be done. Consultation can be done.

SHRI MORARJI DESAI: Consultation is always done.

SHRI NAMBIAR: Then what is your objection?

SHRI MORARJI DESAI: Consultation is different from an agreement to amalgamate. Consultation will always be done; there will be nothing done without consultation or asking for their objections. Even here, if it is seen, if a scheme is made, the objections or suggestions will be invited from the insurer....

SHRI LOBO PRABHU: Not at Government level.

SHRI MORARJI DESAI: Afterwards, they will be before Government. They will always be free to send their suggestions and objections, whatever it is, and I do not think it is necessary to put it in here. Therefore, I do not accept it. But I do not understand the argument which my hon. friend put that this will be an anti-social thing. I do not know how he made a difference between a small company and a big company in the matter of commissions. The commissions will be the same for all companies. It is not a question of a big company or a small company. The commission for certain classes will be different. One will be 5 per cent and another will be 10 per cent..

SHRI LOBO PRABHU: But the commission agents lose the difference between 5 and 15 per cent and the companies benefit. That is the point.

SHRI MORARJI DESAI: They should not get it.

SHRI LOBO PRABHU: Normally, they would have 15 per cent; now, they have only 5 per cent.

SHRI MORARJI DESAI: Formerly they were benefiting to the persons insured and the commissions were being utilised for it. I do not think agents kept more than 5 per cent. Therefore, we have reduced it.

MR. DEPUTY-SPEAKER: Now I put amendments Nos. 29 and 52 to the vote of the House.

*Amendments Nos. 29 and 52  
Were Put and Negatived*

MR. DEPUTY SPEAKER: The question is:

"That clause 17 stand part of the:

*The motion was adopted  
Clause 17 was added to the Bill*

*Clause 18—(Amendment of Section 40A)*

SHRI BENI SHANKER SHARMA: I beg to move:

Page 30, Line 24,  
after "policy" insert

"where the premium exceeds rupees fifty thousand" (8)



[ Shri Beni Shankar Sharma ]

Page 30, line 25,—

add at the end—

“ten per cent for marine and 15 per cent for fire where the premium is below rupees fifty thousand” (9)

Page 30, line 28,—

for “ten” substitute “fifteen” (10)

Mr. Deputy-Speaker, Sir, in moving these amendments, my only intention is to maintain the *status quo*. I want to retain the provisions more or less as in the original amending Bill. This is one of the Sections which affects the people, I mean the “people” according to the definition of Mr. Nambiar. Now Sir, according to the Insurance Year Book, 1967, there were 3,28,786 agents who were earning their livelihood working as agents and bringing business for insurance companies. Out of these 3,28,786 agents, about 3 lakh agents have been earning to the extent of Rs. 10,000 or so. If we reduce their commission to 5 per cent, that will tell heavily on them. This will throw out of employment lakhs and lakhs of people. I beg to draw the attention of the Deputy Prime Minister that it will not only affect only 3 lakh and odd agents but, taking the average of 6 or 7 members in a family, it will affect about 20 to 25 lakhs of people. I would, therefore, earnestly request the Deputy Prime Minister to take into consideration the amendments which I have tabled and which, in fact, was originally given by me at the time of the original amending Bill.

Sir, it is very easy to rob a hundred persons of their livelihood but it is very difficult to give bread to one. We have seen the effect of the Gold Control Order, Lakhs of people were thrown out of employment. We could not give alternative employment to even a fraction of them. Similarly, if we reduce the commission of these Insurance agents to 5 per cent, that will lead to depriving the agents who are working in this business of their most-needed bread. Of course, this will add to the coffers of the insurance companies and

a portion may go to the shareholders by way of dividend, and others by way of taxes, to the Government.

13 hours.

Let me give a short example. If a person gets an insurance business worth a lakh of rupees, he brings on an average, about Rs. 200 as premium. On that premium of Rs. 200, he gets a commission of about Rs. 8 to Rs. 10. In order to earn Rs. 10,000, he has got to bring premium of about Rs. 2 lakhs, on a business of Rs. 10 crores. This is very difficult in the case of small agents. We know, there are many people who cannot secure that much business. The only thing which we discussed in the Select Committee, was as to how to check the malpractice of evading. I would, therefore, request the hon. Minister to take into consideration this small amendment and restore the *status quo*.

SHRI MORARJI DESAI : This is the main provision that has been made in order to remove the chief illegal practice. The chief illegal practice was that the commission agents gave away a part of their commission, a large part of their commission, to the insureds, and this was never shown either in the accounts or anywhere else. Even foreign companies were doing like that. This created a lot of unaccounted money. That is why we wanted to reduce this. I do not think, the commission agents ever retained more than 5 or 10 per cent of the commission that they got. Therefore, this has been made more realistic, and I do not want to change it now.

MR. DEPUTY-SPEAKER : I Shall now put amendments 8, 9 and 10 of Shri Beni Shankar Sharma to the vote of the House.

(Amendment 8, 9 and 10 were put and) negatived.

MR. DEPUTY-SPEAKER : The question is :

“That Clause 18 stand part of the Bill”

*The motion was adopted.*

*Clause 18 was added to the Bill.*

*Clause 19 was added to the Bill.*

**Class 20 - (Amendment of section 42)**

**MR. DEPUTY-SPEAKER :** Is Mr. Somani moving his amendment ?

**SHRI N. K. SOMANI ;** Yes, I beg to move :

Page 31, line 19.—

*add at the end—*

and the following shall be added at the end of clause (a) of the first proviso to sub-section (1), namely :—

“he possesses from an appointed date which shall not be later than 31st December, 1970, qualifications of general insurance business and minimum insurance education as may be prescribed”. (46)

**MR. DEPUTY-SPEAKER :** We shall take it up after Lunch. The House stands adjourned to meet again at 2.00 P.M.

13.02 hours.

*The Lok Sabha adjourned for Lunch till Fourteen of the Clock.*

*The Lok Sabha re-assembled at Six Minute Past Fourteen of the Clock.*

**MR. DEPUTY-SPEAKER IN THE CHAIR ]**

*Re-Development in Hariyana*

श्री अटल बिहारी वाजपेयी (बलरामपुर) : उपाध्यक्ष महोदय, आपको इजाजत से मैं एक महत्वपूर्ण विषय की ओर आपका ध्यान खींचना चाहता हूँ। मैं चाहूँगा कि गृह मंत्री महोदय हरियाणा की स्थिति के बारे में कल सदन में वक्तव्य दें। अभी-अभी खबर मिली है कि हरियाणा की विधान सभा में कांग्रेस का बहुमत समाप्त हो गया है। ... (व्यवधान) ... श्री भगवत दयाल शर्मा अपने 16 साबियों के साथ कांग्रेस से त्याग-

पत्र दे चुके हैं और विरोधी दलों से मिलकर उन्होंने संयुक्त दल बनाया है। 41 सदस्य राज्यपाल से मिलने गए थे और यह मांग की कि मुख्य मंत्री श्री बंशीलाल का त्याग-पत्र मांग लिया जाए और अगर वे त्याग-पत्र न दें तो उनको बर्खास्त कर दिया जाए। लेकिन वहाँ पर यह धमकी दी जा रही है कि हरियाणा में दूसरी सरकार नहीं बनने पायेगी, हम राज्यपाल के पद का दुरुपयोग करके विधान सभा को भंग करवा देंगे। तो मेरा निवेदन यह है कि जब दूसरी सरकार काम सम्हालने के लिए तैयार है, उसका बहुमत भी है तो फिर विधान सभ को भंग करने का कोई औचित्य नहीं है। ... (व्यवधान) ...

इसलिए मेरा आपसे निवेदन है कि आप गृह मंत्री से कहें कि वे हरियाणा के मामले में यहाँ पर एक वक्तव्य दें। ... (व्यवधान) ...

श्री एस० एम० जोशी (पूना) : लोगों को यह बतलाया गया है कि कांग्रेस स्टेबिल गवर्नमेंट दे सकती है लेकिन वह स्टेबिलिटी कहाँ है? अभी तो यह बात चल रही है कि राष्ट्रपति की हुकूमत होगी। इस तरह से जो लोगों को ठगा जा रहा है उसके बारे में यहाँ पर कोई बयान होना चाहिए। ... (व्यवधान) ...

**MR. DEPUTY-SPEAKER:** Cabinet is a very elusive thing. It is difficult for anyone to say anything about it. Anyhow, I am not going into it. Now, let us proceed with the Insurance (Amendment) Bill.

**SHRI BAL RAJ MADHOK (South Delhi):** We want this assurance that President's rule will not be clamped there...

श्री जार्ज फरनेन्डीज (बम्बई ब्रिज) : आप गृह मंत्री से कहिए कि यहाँ पर बयान दें। हमें यह आश्वासन चाहिए कि वहाँ पर राष्ट्रपति का शासन नहीं लादा जावेगा।