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Title: Regarding FDI in Insurance Sector -laid.

**SHRI RAVNEET SINGH (LUDHIANA):** Hon'ble Finance Minister has made announcements regarding increasing Foreign Direct Investment (FDI) in Insurance sector from 49% to 74%, bringing IPO for LIC and privatization of an Insurance company.

On FDI increase in Insurance sector, I feel that in a developing economy like ours, it is important that State exercises greater control over domestic savings.

On IPO for LIC, there is no shortage of capital in the company which funds more than 25% of the government borrowings. LIC protects interest of policyholders and gives the best returns in the form of bonus. This move will weaken efforts to provide insurance cover to weaker sections especially in rural areas.

Lastly, rather than privatizing any insurance company, the Government should have consolidated the public sector general insurance companies and enabled them to face competition successfully.

Thus, I feel that these announcements relating to the Insurance sector are unnecessary and unjustified.