

Title: Introduction of the Insurance Laws (Transfer of Business and Emergency Provisions) Repeal Bill, 2000.

1404 hours

The Lok Sabha re-assembled after Lunch at four minutes

past Fourteen of the Clock.

(Dr. Raghuvansh Prasad Singh *in the Chair*)

डॉ. रघुवंश प्रसाद सिंह : सदन की कार्यवाही शुरू की जाती है। अब विधायी कार्य लिए जाएंगे। आइटम नं. 9 वित्त मंत्री. श्री यश्वन्त सिन्हा।

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): I beg to move for leave to introduce a Bill to repeal the Allianz Und Stuttgarter Life Insurance Bank (Transfer) Act, 1950, the Life Insurance (Emergency Provisions) Act, 1956 and the General Insurance (Emergency Provisions) Act, 1971.

श्री राजो सिंह (बेगूसराय) : सर, आप तो हिन्दी में बोलते थे। आज अंग्रेजी में कैसे बोल दिया।

श्री यश्वन्त सिन्हा : हम दोनों में बोलते हैं।

MR. CHAIRMAN: Motion moved:

"That leave be granted to introduce a Bill to repeal the Allianz Und Stuttgarter Life Insurance Bank (Transfer) Act, 1950, the Life Insurance (Emergency Provisions) Act, 1956 and the General Insurance (Emergency Provisions) Act, 1971."

SHRI BASU DEB ACHARIA (BANKURA): Sir, I oppose the introduction of the Insurance Laws (Transfer of Business and Emergency Provisions) Repeal Bill, 2000. Sir, I oppose the introduction of this piece of legislation because I do not feel that there is a necessity to bring this piece of legislation. This Act was passed in the year 1951. Then, in 1956, the Life Insurance Corporation was nationalised

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by an Act of Parliament. Subsequently, in 1972, the General Insurance Corporation was nationalised by an Act of this Parliament. Even after nationalisation of LIC and GIC, this Act remains in the Statute Book of our country. The Government did not feel, at that point of time, that there was no need for such legislation and that legislation should be repealed. When did this become redundant? If this Act became redundant in 1956, 1972 and then after the nationalisation of LIC and GIC Act was enacted, why was this Act not repealed? I would like to know whether it is a fact that after the enactment of IRDA, the Government decided to repeal this Act. I would also like to know whether with the repeal of this Act, this will affect the functioning of LIC and GIC. I apprehend.

Sir, the Minister has assured on the floor of this House when he was replying to the debate on IRDA Bill, that his sincere effort would be to strengthen both these organisations. My apprehension is that with this measure, both these organisations will be weakened. There is already an attempt.

SHRI YASHWANT SINHA : It is not a discussion.

SHRI BASU DEB ACHARIA : All the subsidiaries have now been bifurcated. They have been made independent. GIC's only function will be re-insurance. The process has already started. This attempt, this measure will further weaken LIC and GIC. That is why, I oppose the introduction of this Bill and I urge upon the Minister to withdraw this Bill.

SHRI YASHWANT SINHA : Sir, I would like to begin by saying that the apprehensions, which have been expressed by the hon. Member, are entirely unfounded. The procedure for introduction of the Bill in this House is governed by rule 72. Rule 72 very clearly says that unless it can be shown that this is outside the legislative competence of the House, the introduction will not be opposed. Now, therefore, the point on which the hon. Member is opposing the introduction of the Bill is not covered by rule 72. We are not discussing the merits. We will discuss the merits when the Bill comes up for discussion. But even then the issue which has been raised is entirely misplaced because the House is aware that there was a Commission on Review of Administrative Laws. This Commission has gone into the question of all the legislations which are on the Statute Book. It has made its recommendations to the Government. The Government has, as a matter of policy, decided to repeal all those statutes which have become redundant. But they are still on our Statute Book. The three Bills, which I am referring to in this particular transaction, are all Bills which have become redundant, but unfortunately, they are still on the Statute Book. Therefore, I have brought this repeal legislation.

And as far as the public sector undertakings are concerned, a year has passed since the IRDA Bill was passed and adopted by both Houses of Parliament, new insurance companies have been given licences, heavens have not fallen down. The business of LIC has gone up by 40 per cent and all our public sector undertakings in the insurance business are doing extremely well and I am assured by their managements that all those companies are in a very strong position to meet any challenge of competition.

SHRI BASU DEB ACHARIA : They have not started.

SHRI YASHWANT SINHA : I had given the fullest justification. It is not merely in India that we are in a position to meet the challenge of competition. The LIC and other insurance companies are going out to meet the challenge of competition in other countries. Therefore, this apprehension of the hon. Member that it is only a cocoon and that it is only in a totally sheltered atmosphere that our public sector will flourish, I said, is a contention I do not agree with. The public sector in this country has the strength to withstand competition and the LIC, the GIC and the subsidiaries of the GIC will be able to do so.

MR. CHAIRMAN : The question is :

"That leave be granted to introduce a Bill to repeal the Allianz Und Stuttgarter Life Insurance Bank (Transfer) Act, 1950, the Life Insurance (Emergency Provisions) Act, 1956 and the General Insurance (Emergency Provisions) Act, 1971."

The motion was adopted.

SHRI YASHWANT SINHA : I introduce the Bill.
