Amid protests, LS passes Bill to amend insurance Act

It will allow government to bring down its stake in State-owned general insurance companies

SPECIAL CORRESPONDENT
NEW DELHI

Amid Opposition protests and sloganeering over the Pegasus snooping issue and the three controversial farm laws, the Lok Sabha on Monday passed a law to amend the general insurance business Act without a debate.

The Bill - The General Insurance Business (Nationalisation) Amendment Bill, 2021 - will allow the government to bring down its stake in State-owned general insurance companies, generate required resources and help public sector general insurers design innovative products.

But the Opposition and the Treasury benches got into a war of words as the Bill was being moved for passage.

Congress leader Adhir Ranjan Chowdhury accused the government of handing over decades-old institutions to a handful of capitalists and and termed the bill "anti-people and anti-national".

Nirmala's charge

Hitting back at Mr. Chowdhury, Finance Minister Nirmala Sitharaman accused the Opposition of spreading falsehood and asserted that she would respond to his charges if they [Opposition members] agreed to debate the provisions of the Bill.

"If they are serious, they should sit down, debate and ask questions. Since you are afraid that truth will come out, you don't want a discussion," she stated while moving for the Bill's passage.

The Bill was passed through a voice vote after some of the amendments to it, moved by Revolutionary Socialists Party's N.K. Premachandran, were defeated. BJP's Rama Devi, who was in the Chair, adjourned the House for the day soon after the Bill's passage.

Making a point: Union Finance Minister Nirmala Sitharaman speaking in the Lok Sabha in New Delhi on Monday. ▪ PTI

As per the statement of objects and reasons, the proposed amendments to the General Insurance Business (Nationalisation) Bill seeks to remove the mandatory requirement of the Central government holding not less than 51% of the equity capital in a specified insurer.

The Bill stated that certain amendments had become 'necessary' to provide for greater private participation in public sector insurance companies, enhance the penetration of the insurance sector, provide social protection by securing the interests of the policyholders better and contribute to faster pace of the economic growth.

In her Budget speech for 2021-22, the Finance Minister had announced a ambitious privatisation agenda, including two public sector banks and one general insurance company. Of the public sector general insurance companies – the National Insurance Company Limited, New India Assurance Company Limited, Oriental Insurance Company Limited and the United India Insurance Company Limited – the government will dilute its shareholding in one company. The name of the company, however, is yet to be finalised.

The first half of the Lok Sabha proceedings also witnessed protests by the Opposition members, resulting in two adjournments before lunch. While the Ms. Sitharaman introduced the Tribunals Reforms Bill, 2021, after withdrawing an earlier bill on the issue, Mr. Chowdhury accused the government of "bulldozing one legislation after another".