

[10 August. 2006]

RAJYA SABHA

proposed power plant can easily come to the port. I hope, the Government will give its topmost priority to this power project at Tadri in my home State Karnataka. Thank you.

MR. DEPUTY CHAIRMAN: The rest of the Special Mentions will be taken up after the legislative business...*(Interruptions)*... The rest of the Special Mentions will be taken up after legislative business...*(interruptions)*... This is the decision ...*(interruptions)*...
चेयरमैन ने decision लिया है | Shri Pawan Kumar Bansal.

GOVERNMENT BILLS

The Actuaries Bill, 2006

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUAMR BANSAL): Sir, I beg to move:

"That the Bill to provide for regulating and developing the profession of Actuaries and for matters connected therewith or incidental thereto, as passed by Lok Sabha, be taken into consideration."

Sir, in simple terms, an actuary is a person skilled in determining the present effect of future contingent events. The Actuarial Society of India, which is there at Bombay, was registered under the Bombay Public Trust Act and the Societies Registration Act. So far, only 203 members of the ASI are entitled to practise, and out of them, only 137 are in the country, while 66 are outside the country.

Sir, with the expansion of economic activity, particularly that in the Insurance sector, it has been felt that there is greater need for the actuaries to really take up various works assigned to them. As such, Government has come up with this Bill. This Bill was referred to the Standing Committee. The Standing Committee deliberated at length on this Bill, made certain worthwhile suggestions, including one relating to the definition of the actuary itself. We have incorporated those amendments in the Bill. The Bill was passed by the Lok Sabha and that is how we are here before you.

Sir, this Bill, on the lines of the laws governing the Company Secretaries, the Chartered Accountants and the Cost and Works Accountants, takes into consideration the need to regulate this profession now. Earlier, because of the restrictive practice, as you would appreciate, Sir, there was very limited role for the actuaries as such. But, today, the

Insurance sector is growing up and the need of actuaries is being felt in many areas. Hence, it was felt that instead of the Society registered under the Societies Registration Act, there is need to have an Institute of Actuaries, and also, to provide for various provisions governing their profession as such.

Sir, this Act deals with the incorporation of the institute of Actuaries, the composition of the Council of the Institute, which would manage the affairs of the Institute. It deals with general meetings, elections to the Council, establishment of tribunal to deal with matters of dispute relating to the elections of the Institute; committees of the Council to deal with various matters including disciplinary matters, etc. In any profession, the need to maintain high standards of professional conduct is of the utmost importance and that care has been taken here in this Bill. The Schedule contains a list in detail about what could be professional misconduct. So, there are provisions in the Bill, which deal with cases of misconduct through the Disciplinary Committee. There is provision to appoint a Prosecution Director, who, along with other employees, could assist the Disciplinary Committees about various matters which come up before the Disciplinary Committee.

Sir, there is provision for an Appellate Authority, for matters to be finally decided there. This Appellate Authority would be the one which is there for the Chartered Accountants also, excepting with the change that when it deals with matters relating to the Actuaries, it would be the Actuaries who will replace the Chartered Accountants, or, for that matter, the Cost and Works Accountants. It is because there is not much work before the Appellate Authority as such that a common authority with the necessary changes has been provided for. There is also a provision for establishment of the Quality Review Board. It is felt that to achieve the best world practices in this profession, there is a need to have a Quality Review Board which would consider matters from time to time, and then lay down that as to what are the best practices, what quality has to be maintained and that has been provided for. This Bill has received unanimous and all round support from Members of the Lok Sabha and in the other House. I urge upon the hon. Members here also to take the Bill into consideration and ultimately pass it.

The question was proposed.

श्री एस0एस0 अहलुवालिया (झारखंड): उपसभापति महोदय, मैं Actuaries Bill, 2006 का समर्थन करने के लिए खड़ा हुआ हूँ।

महोदय, पराधीन भारत में जब वर्ष 1935 में गवर्नमेंट ऑफ इंडिया एक्ट आया तो उसके साथ-साथ 1938 में इंश्योरेंस एक्ट भी आया। पर किसी भी इंश्योरेंस के लिए एक्चुरीज की जरूरत पड़ती है, यह उस वक्त ध्यान में नहीं रखा गया। उस वक्त ब्रिटिश साम्राज्यावाद के लोगों या तत्कालीन अफसरों ने ऐसा नहीं सोचा कि यहां की एक्चुरीज कुछ कर सकती है। यही कारण है कि उस वक्त किसी एक्चुरीज के बारे में नहीं सोचा गया। वर्ष 1998 में इंश्योरेंस एक्ट जरूर आया था, एक्चुरीज का सीधा मानना है और उसके बारे में बड़े ही सहज शब्दों में कहा जाता है कि *The Actuary assesses the financial impact of uncertain future events by methodically analysing the past, modelling the future and quantifying the likely range of financial outcomes from different future events.*

इस पर बेस करके सारा काम होता है। महोदय, 1944 में एक्चुरीज सोसायटी ऑफ इंडिया बनी, पर देश आजाद होने के बावजूद भी वह रजिस्टर्ड नहीं हुई। वह 1982 में रजिस्टर्ड हुई। उस का मूल कारण था कि जब हमारा देश आजाद हुआ उस वक्त देश में करीब 245 इंश्योरेंस कंपनियां थीं और 1956 में गवर्नमेंट ने इन 245 इंश्योरेंस कंपनियों का राष्ट्रीयकरण कर लिया जोकि लाइफ इंश्योरेंस और जनरल इंश्योरेंस-दोनों का बिजनेस देखती थीं। उसके बाद 1982 में जब एक्चुरीज सोसायटी ऑफ इंडिया ने अपने आपको इंडियन सोसायटीज एक्ट के तहत रजिस्टर किया तब लोग इसे जानने लगे। जैसाकि मंत्री महोदय बता रहे थे।

महोदय, देश आजाद होने के साथ-साथ कंपनियों या अकाउंट्स की देखरेख के लिए हम समय-समय पर जो प्रावधान लेकर आए, उसके तहत हम लोगों ने इंस्टीट्यूट ऑफ चार्टर्ड अकाउंटेंट, इंस्टीट्यूट ऑफ कॉस्ट एंड वर्क्स अकाउंटेंट और इंस्टीट्यूट ऑफ कंपनी सेक्रेटरीज बनायीं। इनसे जो लोग निकले, उन्होंने राष्ट्र निर्माण के काम में मदद की। उनकी नॉलेज का देश को फायदा हुआ, पर जैसाकि मंत्री महोदय बता रहे थे करीब 203 या 207 एक्चुरीज हैं जोकि फेलो ऑफ इंस्टीट्यूट ऑफ एक्चुरीज, लंदन कहलाती है। वे एक्चुरीज ऑफ इंडिया, एक्चुरीज एसोसिएशन ऑफ इंडिया की मेंबर तो हैं, परंतु उनको फेलोशिप लंदन से लेनी पड़ती है। वैसे करीब 200 लोग ऐसे हैं, 75 फीसदी लोग वे हैं जिनकी उम्र 65 साल से ज्यादा है, वे बुजुर्ग हो गए हैं। उसका कारण यह था कि 1956 में जब सारी इंश्योरेंस कंपनी सरकार के हाथ में आ गयीं तो यह फील्ड नहीं पनपा। यहां एक ही आदमी फैसले करता रहा और एक्चुरीज का जो सदुपयोग होना चाहिए जैसेकि एक फील्ड ओपन करनी चाहिए, कैरियर की अपॉर्चुनिटीज होनी चाहिए और अपॉर्चुनिटीज का एक नया आयाम शुरू होना चाहिए, वह नहीं हो सका। महोदय,

2002 में अमेरिका के वाल स्ट्रीट जर्नल ने निकाला कि आज एक्युअरीज का जो कैरियर है, वह वर्ल्ड का सेकेंड बेस्ट है। 2001 में एक्युअरीज कैरियर टॉप पर था, नम्बर वन था। क्यों? उसका कारण यह है कि जैसे-जैसे विभिन्न देशों में डेवलपमेंट हुए हैं, तो हम अन्ततः देखने लगे हैं कि इश्योरेंस सेक्टर से क्या कवर हो? उसके साथ मेंडिकलेम, हैल्थ जुड़ जाए। इश्योरेंस के साथ और क्या जुड़े- एजुकेशन। इश्योरेंस के साथ हमारी ओल्ड एज मेंटेनेंस जुड़े। जब वेलफेयर कंट्रीज ने इन सब चीजों को अपने साथ जोड़ा है, तो वहां पर एक्युअरीज का महत्व बढ़ा है। उन्हीं चीजों को, इश्योरेंस को मद्देनजर रखते हुए समय-समय पर हमारे देश में भी नए-नए प्लान्स बनाए गए, नई-नई सोच लाई गई, नई-नई पॉलिसीज डिकलेयर हुईं। किन्तु, चूंकि सरकारी लाइफ इश्योरेंस कम्पनी एक कम्पनी थी, जो यह चला रही थी, पर मैं यह नहीं कहता कि सिर्फ एक्युअरीज की गलतियों के कारण ही यह हुआ हो, पर हां, इनता जरूर है कि हमारे यहां धनलक्ष्मी के नाम पर जो विमेन प्लान बना और बच्चों के नाम पर जो चिल्ड्रेन प्लान बना, वे दोनों फेल कर गए। उनके फेल होने के दो कारण थे। एक कारण यह था कि हमारे एक्युअरीज की कमजोरी थी कि जिन्होंने फ्यूचर प्लान किया, जो प्रिमियम बांधा, जो कैलकुलेशन किये और जो उसका रिटर्न आना चाहिए था, वह नहीं आ रहा था। दूसरा कारण मार्केटिंग डिवीजन की कमी थी, जो उस प्लान को बेच नहीं सकी, जनता तक पहुंचा नहीं सकी, क्योंकि सरकार का रवैया बड़ा साधारण सा था। **Either take it or leave it.** क्योंकि वे बंडल करके पॉलिसीज बेचते थे। और बंडल करके बेचने पर होता है कि या तो लीजिए या तो भूल जाइए। इसलिए बहुत कम लोग ही इश्योरेंस कराते थे। इश्योरेंस कराने वाले, उनको **persuade** करने के लिए जो एजेंट्स आते थे, उन लोगों के द्वारा तरह-तरह के प्रलोभन देने के बावजूद भी लोग इश्योरेंस कराने के लिए तैयार नहीं होते थे, क्योंकि उनके सामने धनलक्ष्मी जैसा प्रोडक्ट आता था, जो फेल हो चुका था।

महोदय, जब हम एक्युअरीज के बारे में, उनके इंस्टीट्यूट के बारे में सोचते हैं, तो आज हमारी कंट्री में वैसे तो छः इश्योरेंस कम्पनियां हैं, एक लाइफ इश्योरेंस है, जो गवर्नमेंट द्वारा चलाई जाती है और पांच जेनरल इश्योरेंस हैं, इनके सिवाय 21 प्राइवेट इश्योरेंस कम्पनियां आई हैं, जिनमें 13 लाइफ इश्योरेंस के लिए हैं और 8 जेनरल इश्योरेंस पर काम कर रही हैं। इनका एरिया बढ़ा है। पर इनके एक्युअरीज में फर्क है, क्योंकि इनके साथ जितनी भी प्राइवेट इश्योरेंस कम्पनियां आई हैं, इनका एक **content** अर्थात् एक पार्टनर विदेशी है। विदेशी पार्टनर होने के तहत इन्होंने विदेश से एक्युअरीज की जो टेक्नोलॉजी ली है और इन्होंने जो अपनी पॉलिसीज को **unbundle** किया है, आज अगर आप बाजार में एसेसमेंट करने जाएं, तो आप देखेंगे कि हो सकता है, पिछले 50 वर्षों में एल0 आई0 सी0 एक बेस बनाया, उसको आप कैलकुलेट मत करिए, किन्तु जब से ये प्राइवेट ऑपरेटर्स बाजार में आए हैं और उन्होंने बाजार में **unbundled** पॉलिसीज रखी हैं उनकी मार्केटिंग एल0 आई0 सी0 से ज्यादा हो रही है और वे ज्यादा लोगों को कवर कर रहे हैं तथा ज्यादा

चीजें मुहैया करा रहे हैं। ये सारी चीजें एक्चुअरि के दिमाग पर डिपेंड करती है कि एक्चुअरि कैसे कैलकुलेशन करके प्लान बनाता है, कैसे मॉड्यूल बनाता है और कैसे प्रोडक्ट तैयार करता है। एक्चुअली वह एक्चुअरि आज के दिन एक मेधावी छात्र होना चाहिए। जो ब्रिलिएंट स्टूडेंट है, वही एक्चुअरि बन सकता है, क्योंकि जब वह मैथेटिक्स में और स्टैटिस्टिक्स में अब्ल दर्जे का छात्र होगा, तभी वह एक्चुअरीज की लाइन में जा सकता है। उसमें जाने के लिए, उसको पढ़ाने के लिए जो इंस्टीट्यूट चाहिए, वह इंस्टीट्यूट हमारे यहां नहीं है। कुछ प्राइवेट इंस्टीट्यूट और प्राइवेट यूनिवर्सिटीज ने इसके कोर्सेज शुरू किए हैं, पर इस बात की सख्त जरूरत है कि एक इंस्टीट्यूट ऑफ एक्चुअरीज हो। पर मैं फिर कहना चाहूंगा कि ये इंस्टीट्यूट ऑफ एक्चुअरीज, जो आप शुरू करने की बात सोच रहे हैं, उसमें आपने प्रावधान रखा है कि आप उसमें विभिन्न जगहों के मैम्बर भरेंगे। उसमें डायरेक्टर बनाएंगे, उसकी कौंसिल में मैम्बर्स रखेंगे। मैम्बर्स में गवर्नमेंट नोमिनी की जितनी संख्या दी है, मंत्री महोदय, कहीं ऐसा न हो कि यह जो इंस्टीट्यूट की कौंसिल है, वह आने वाले कल में रिटायर होने वाले गवर्नमेंट ऑफीसर्स की रिफ्यूज सेंटर बन जाए। उसमें आप उसी को मैम्बर बनाइए, जिन्हें एक्चुअरीज साइंस का ज्ञान है, जो एक्चुअरीज साइंस में कुछ परिपक्व है या उसके बारे में उनकी कोई जानकारी है या जो उसके बारे में कुछ सोच सकते हैं, कुछ नया विजन दे सकते हैं, जो उस कौंसिल को कुछ आगे बढ़ा सकते हैं। ऐसे लोगों को उसमें लाइए। आपने जैसे आई आरडीए का एक मैम्बर रखा है। यह आईआरडीए इंड्योरेस की एक रेगुलेटरी अथोरिटी है, वह कुछ नई बातें सामने रख सकते हैं। इसके साथ-साथ जो आपने डिपार्टमेंट का एक ज्वायंट सेक्रेटरी रखा है या दूसरे और अफसर रखे हैं, वे किस हद तक उसको आगे ले जा सकेंगे, यह भी सोचने की बात है।

उपसभापति महोदय, यहां आपने एक प्रावधान रखा है कि एक मैम्बर ऐसा भी होगा, जिसको एक्चुअरीज साइंस का ज्ञान हो या इंड्योरेस सेक्टर का ज्ञान हो। मैं समझता हूँ कि बेहतर यह होता कि अगर आप उसमें ऐसा प्रावधान रखते कि जो लोग हमारे यहां एक्चुअरीज साइंस में परिपक्व लोग हैं, पुराने लोग हैं, वैसे लोगों को शुरूआती दौर पर रखा जाए, क्योंकि जिस वक्त आप इसकी फाउंडेशन रखेंगे, इसको तैयार करेंगे, उस वक्त आपको ऐसे लोगों की जरूरत होगी, जिसके पास एक्सपीरिएंस हो और वे लोग इसे आगे ले जा सकें। यह सिर्फ एक्चुअरीज साइंस का इंस्टीट्यूट ही नहीं बनना, इसका एक कैरिकुलम भी बनना है और वह कैरी कुलम इंटरनेशनल स्टैंडर्ड का बनना है, यह नहीं कि हम अमरीका का या यू0के0 का एक्चुअरीज साइंस का जो कैरिकुलम है उसकी कॉपी कर लें। मैं यह बात क्यों उठा रहा हूँ? क्योंकि अगर हम उसकी कॉपी अपने एक्चुअरीज साइंस के लिए करते हैं, तो उनके यहां तो सेटलाइट से पिछला और आज का डाटा अवेलेबल है, लेकिन हमारे पास अवेलेबल नहीं है। हमारी एक इंड्योरेस कंपनी अगर क्रोप इंड्योरेस की एक प्रोडक्ट बनाती है, तो उसके पास पिछले तीस वर्ष का डाटा अवेलेबल नहीं है,

पूरे देश का डाटा अवेलेबल नहीं है कि रेनफेड एरिया में क्या यील्ड थी या इरिगेशन एरिया में क्या यील्ड थी या ड्राट-प्रोन एरिया में क्या यील्ड थी या फ्लड-प्रोन एरिया में क्या यील्ड थी? एक्चुरीज कोई जादुई छड़ी लेकर नहीं बैठता, वह डाटा पर बेस करके ही फ्युचर की बात कैलकुलेट करता है। यह डाटा अवेलेबल न होने के कारण हमारे देश में आज बहुत सारे प्रोडक्ट आगे नहीं आ पा रहे हैं। इसलिए अगर हम एकदम अमरीका की या कनाडा की या यू० के० की या यूरोप की कॉपी करेंगे, तो शायद हम सक्षम नहीं होंगे, परन्तु हां, इंटरनेशनल इंश्योरेंस, इंटरनेशनल कंपायटेबिलिटी के लिए जो इंश्योरेंस होती है, उसमें जरूर उनके डाटा लगते हैं।

उपसभापति महोदय, मुझे आश्चर्य लगता है, ये बड़ी छोटी-छोटी बातें हैं, जो मैं कहना चाहूंगा। वर्ष 1984 के दंगों में मैंने नोट किया कि लोगों के पास फायर इंश्योरेंस था, किन्तु अगर फायर राइट्स के द्वारा फायर होती है, तो इंश्योरेंस कंपनी वाले उसका इंश्योरेंस नहीं मानते। अब सारे आइटम्स में एक आइटम यह भी होना चाहिए, क्योंकि फायर तो राइट्स के कारण भी हो सकती है, केवल शॉर्ट-सर्किट से नहीं हो सकती या इनफ्लेमेबल प्रोडक्ट्स से नहीं हो सकती। राइट्स से भी हो सकती है, उसका इंश्योरेंस कवर होना चाहिए था, लेकिन उसका नहीं था। फिर मैंने नोट किया, अभी कुछ दिन पहले की बात है कि दिल्ली में यमुना-पार एरिए में दो सांड लड़ पड़े और अभी चितरंजन पार्क में भी यही घटना हुई। जब ये दो सांड लड़ पड़े, तो यमुना-पार में वे एक खड़ी मारुति गाड़ी के ऊपर चढ़ गए और यहां शायद सेंट्रो गाड़ी के ऊपर चढ़ गए और उन्होंने पूरी गाड़ी को पिचका दिया। सांड का अपना-अपना वजन होता है और उस वजन के कारण गाड़ी पिचक गई, उसका हेड पिचक गया, उसका बोनट पिचक गया, उसकी लाइटें टूट गई और इंश्योरेंस कंपनी वाला बोलता है कि सांड ने तोड़ी है, इसका हमारे पास कोई प्रोविजन नहीं है। य यह प्रोविजन एक्सिडेंट के लिए है, दो गाड़ियां टकरा गई हैं या आप किसी बिल्डिंग से टकरा गए है या सड़क पर उलट गए हैं, स्लिप कर गए हैं, उसका तो है, मगर सांड मार देता है, उसका नहीं है। ...**(व्यवधान)**..

सर, बात यह है कि इस पर सोचने की जरूरत है कि हमारी जरूरतों के हिसाब से काम हो। यहां तक वेस्ट का है, तो जैसे अगर अमरीका में ईस्ट कोस्ट से वेस्ट कोस्ट से वेस्ट कोस्ट में जा रहे हैं, तो सारी सड़क के किनारे बार्बेड वायर है, जिससे सांड आने का कोई मौका नहीं है, ऐसा कोई चांस नहीं है और किसी आदमी का भी रोड क्रॉस करने का चांस नहीं है। अगर उसी प्रोडक्ट की कॉपी करके हम यहां डालेंगे, तो शायद फेल हो जाएंगे। एक्चुरीज साइंस बेसिकली क्या मांगता है? वह मांगता है डाटा, ग्राउंड रियलिटी। यह ग्राउंड रियलिटी हमारी जो है, उसका एक बेस है। आज आपको पता है कि सेटलाइट के माध्यम से सुनामी के बारे में या अर्थक्वेक के बारे में जो सेटलाइट कह रहे हैं, उसको देखकर साइंटिस्ट और सिस्मोलॉजिस्ट हैं, उनकी तो नींद उड़ी ही उड़ी, किन्तु विदेश में, अमेरीका में 'केटरीना' जब आया, तो उसके बाद ऐक्चुरीज की भी नींद उड़ गई है कि

यह 'केटरीना' आया कैसे और इसमें इंश्योरेंस वाले कवर्ड नहीं थे, इनका हम क्या करेंगे, क्योंकि कभी सोचा ही नहीं था। तो यह डाटा तो तभी बन सकता है जब आपके पास डाटा उपलब्ध हो कि ऐसा भी हो सकता है। ऐसे भी अनफॉरसीन सरकमस्टांसिज में ऐसी भी घटनाएं घट सकती हैं, जिनके कारण ये चीजें हो सकती हैं। उस चीज को सामने रखना पड़ता है। ऐक्ट्युरी बेसिकली करता क्या है? वह आपकी पॉलिसी बनता है, प्रोडक्ट बनाता है, प्रोडक्ट बनाकर और कैलक्युलेट करके कि आप कितने साल के लिए ले रहे हैं, उतने वर्षों के हिसाब से आपका प्रीमियम बांधता है, लेकिन अगर इस बीच वह प्रीमियम फेल होता है या ऐसा कोई अनफॉरसीन नेचुरल डिजास्टर हो जाता है, अगर वह कवर्ड नहीं है, अगर उस इलाके के लिए नहीं है तो क्या करेंगे? जैसे क्रॉप इंश्योरेंस आप करने जाएंगे, इरिगेटिड फ्लड एरिया के लिए जो क्रॉप इंश्योरेंस होगी, क्या वह ड्रॉट प्रोन एरिया के लिए होगी? नहीं होगी। जो रेन फेड के लिए होगी, क्या वह फ्लड प्रोन के लिए होगी? नहीं होगी, क्योंकि उसके डाटा अलग है, उन डाटा क्लेक्शंस की जरूरत है और ऐक्ट्युरियल साइंस टोटली बेसड हैं ऐसे डाटाज पर। हमारे मंत्री महोदय एक अच्छा बिल लाए हैं ऐक्ट्युरियल साइंस को और आगे ले जाने के लिए।

मैं एक और बात देखता हूँ कि मुम्बई हाई में ONGC के जितने हमारे इंस्टॉलेशंस हैं, वहां पर जितने हमारे इंस्ट्रुमेंट्स या इक्विपमेंट्स लगे हैं, उनकी इंश्योरेंस जो होती है, उसका जो प्रॉडक्ट है, वह इंटरनेशनल है, क्योंकि वैसे प्रॉडक्ट्स, वैसे इंस्ट्रुमेंट्स हमारे यहां बहुत ज्यादा यूज नहीं होते, इसलिए उसका प्रॉडक्ट हम इंटरनेशनल लेते हैं, हम उसको नेशनल बनाएं, क्योंकि अब तो यह रोजमर्रा की जिंदगी का हिस्सा हो गया है कि हमारे यहां ये इक्विपमेंट्स यूज होने लगे हैं। एक साधारण सी बात है कि मुम्बई से पूणे एक्सप्रेस हाइवे है, एक्सप्रेस हाइवे में आम तौर पर देखा जाता है कि सड़कों पर टायर फट जाते हैं, जिस स्पीड से उस पर जाते हैं, क्रॉस करते हैं, उसमें आम देखा गया है कि वहां जितने ऐक्सिडेंट्स होते हैं, आप पता लगा लीजिए कि उनमें से 80 फीसदी ऐक्सिडेंट्स इसलिए होते हैं कि टायर गर्म होकर फट जाता है। क्यों फट जाता है? क्योंकि जितनी स्पीड आपने अलाऊ की उस सड़क पर, उस स्पीड के लिए वह टायर बना नहीं था। गाडी का माइल मीटर तो है, लेकिन वह टायर उस स्पीड के लिए नहीं बना। किन्तु अगर आप उस गाडी की इंश्योरेंस के लिए कहेंगे तो कहेंगे कि साहब, आप स्पीड पर चला रहे थे, इसलिए ऐक्सिडेंट हो गया। अब माइल मीटर कहता है कि 250 किलोमीटर की स्पीड पर आप जा सकते हैं, आपने एक्सप्रेस हाइवे बनाया है। ये सारी चीजें हैं। इन डाटाज को भी कलेक्ट करने की जरूरत है। मेरे ख्याल से ऐक्ट्युरियल साइंस का यह इंस्टिट्यूट जब शुरू होगा ऐक्ट्युरीज के लिए, तो इसकी लाइब्रेरी में या इसके डाटा बैंक में भी ये सारी चीजे उपलब्ध होंगी। विदेश की तो आप उपलब्ध कराएं, वह सब तो डिजिटल फार्म में उपलब्ध है, किन्तु हमारे देश की भी जो जानकारी है, जो सैम्पल है, जो डाटाज हैं, उनको डिजिटल फार्म में करें, उसको लाइब्रेरी में रखे ताकि कम

से कम जो ऐक्ट्युरीज़ आने वाले भारत के निर्माण के लिए कोशिश करने जा रहे हैं, उन्हें ऐसे डाटाज़ उपलब्ध हो सकें और वे सही मागदर्शन कर सकें। राष्ट्र निर्माण के लिए ऐक्ट्युरी की बहुत जरूरत है, जिस तरह से के डाक्टर की, एक इंजीनियर की और जिस तरह से लेजिस्लेशन के लिए के पॉलिटिशियन की जरूरत है, उसी तरह एक ऐक्ट्युरी की भी उतनी ही जरूरत है और वह ऐक्ट्युरी हमारे भविष्य का एक अच्छा आमार्गदर्शक बन सकता है, बशर्ते कि उसको सारा डाटा उपलब्ध हो। इसकी उपलब्धता के लिए आपने इसमें कोई प्रावधान नहीं रखा है, इसके बारे में भी विचार करें।

यही कहते हुए मैं इस बिल का समर्थन करता हूँ।

श्री उपसभापति : डिबेट में अच्छा हिस्सा, ज्यादा हिस्सा लेते रहिए, वेल में कम आते रहिए। श्री संतोष बागड़ोदिया ।

SHRI N. JOTHI (Tamil Nadu): Sir, coming to the well is also a contribution to the public ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: No, no. ...*(Interruptions)*... This is a bigger contribution. ...*(Interruptions)*... If he participates in the debate, he will be the best ...*(Interruptions)*... Shri Santosh Bagrodia.

SHRI SANTOSH BAGRODIA (Rajasthan): Thank you, Mr. Deputy Chairman, Sir. I also compliment the hon. Member for a very informative speech. And, I also agree with your statement and request him, being my old colleague and good friend and a brother, if he changes the style, probably it will help the House and him also.

MR. DEPUTY CHAIRMAN: And, the nation also.

SHRI SANTOSH BAGRODIA: Yes, the nation also. ...*(Interruptions)*...

SHRI N. JOTHI: Is it an invitation to him?

SHRI SANTOSH BAGRODIA: Sir, while supporting all points which he has mentioned, I would like to draw the attention of the House what actually 'actuary' means, which is mentioned in the Bill itself. "Actuary" means a person skilled in determining the present effects of future contingent events or in finance modelling and risk analysis in different areas of endurance, or calculating the value of life interests and insurance risks, or designing and pricing of policies, working out the benefits, recommending rates relating to insurance business, annuities, insurance and pension rates on the basis of empirically based tables and includes a statistician engaged in such technology, taxation, employees' benefits

and such other risk management and investments and who is a fellow member of the Institute, and the expression 'actuarial science' shall be construed accordingly". Sir, when I was asked to speak on this subject, I was really wondering what the actuary is. I, of course, looked into the Bill; I also saw the dictionary and that is how I came to know about actuaries. To be very honest, I also did not know about it. I was amazed that यह किस चिडिया का नाम है, यह तो पता लगे। लेकिन अब जब पता चला है कि यह किस चिडिया का नाम है और जैसाकि अहलुवालिया जी ने बताया और जब मैंने इसके बारे में डिटेल्स में देखा, तब पता लगा कि यह तो बहुत जरूरी चिडिया है। ...**(व्यवधान)**....

श्री उपसभापति : शायद अभी तक आपने इंश्योरेंस से कोई क्लेम नहीं लिया है ...**(व्यवधान)**....

श्री संतोष बागड़ोदिया: वह भी बताऊंगा, सर। क्लेम तो हमारा होता ही नहीं है, क्योंकि हम कभी कोई गड़बड़ करते ही नहीं हैं। सर, ऐसा है, the point is, the significance of actuary is mind boggling. When I saw this, how much work they have to do, how much responsibility they have to do. I fully agree with that because the insurance business was very little immediately after independence or before independence for whatever reasons. During those days, it was absolutely right why the insurance business was nationalised. There were advantages; and because this insurance business was nationalised, a number of services, a number of new industries, in the country were developed with the resources generated by these insurance companies which was going into private hands, now it came into public hands. That is why SAIL could come. Many other large PSUs could come because of the reforms generated by these insurance companies. But, they were all plus points. Naturally, there are a lot of disadvantages because there are always two sides of a coin and the country has to face that situation also. Sir, you have mentioned just now कि आपने क्लेम लिया या नहीं Honestly, there as a strong feeling that whatever kind of insurance, let me talk about life insurance a little. Those who are actually dead by accident or those who are really covered, their insurance claims were not paid till their successors were also dead. They had to wait and then the poor successors would try to get both the claims. But those who were actually not dead, who were dead only in papers, we're getting their claims. This was the most unfortunate part of it. Neither I died nor was I dead on paper. So, I could not claim or my family could not claim anything.

Similarly, Sir, he mentioned about fire insurance. Many fire insurance claims, which were genuine, were not settled. But the fire insurance claims, which were not genuine, were fully settled. Number of issues have come where people actually burnt their stocks because prices went down and the value of goods was much more as per the insurance. They were handled very well. But the claims for genuine fire insurance, which really took place, were not settled for years. I am not talking this for small industries or small business people or small insurance holders. I am talking about big insurance holders. If a poor small insurance holder goes to collect, say, one lakh rupees because of insurance claims, by the time he will actually get that cheque, probably he would have already spent Rs. 50,000 on movement and on different expenses which all of us know how things happen.

Similar is the case with car accidents. When I just joined my family business, I was told to look after the car insurance also. I remember that old story. The agent came to me and the first thing he told me, "you change the company." Some kind of competition was there, even if all the companies were Government Companies or PSUs. But the agents were different and their commission system was different. He said, "You just change the insurance company. Give me this business and कल आप इसमें रेडियो लगवा लेना। Whether there is a claim or no-claim, if you give me the business आप कोई फाल्स क्लेम करना आपका रेडियो वहां लग जाएगा। Fortunately, I never had radio in my car, so I never asked for it. But this was the basic concept that insurance was done with no intention of paying claims/Can the hon. Minister tell us that during the last - let us not go too far - ten years, in all these nationalised insurance companies, how many claims have been made against life insurance; how many claims have been made against other accidents; and how many claims have been actually settled? It will be mind-boggling. You will be surprised. What a trickle of cases the claims have made! However, this is becoming now historical. Now, it is the era of globalisation. Foreign investment is allowed. We are in a new economic world; new things are happening. And it is for this reason that to keep pace with other activities, insurance activities also have to change. It is for this reason that I compliment the hon. Minister for bringing this Bill on actuaries. Of course, it has been a little delayed, not because of him but because of circumstances. It has gone to the Committees, probably twice. Then there was change of Governments.

[10 August, 2006]

RAJYA SABHA

For some reason or the other it has been delayed. But, as he says, "Better late than never." So, it has finally come. As the hon. Minister has mentioned in his speech, in the Lok Sabha something has happened, everybody has supported it. Sir, through you, I would like to inform the Lok Sabha that this House has got its own brain.

SHRI PAWAN KUMAR BANSAL: Sir I came to parliament through Rajya Sabha.

SHRI SANTOSH BAGRODIA: The Members here have their own views. We don't necessarily follow them. It has happened. About two or three years ago, the Electricity Bill was passed in Lok Sabha and the then Government had great difficulty in getting the same Bill passed in this House. In fact, that was passed after four extra amendments. We compliment you. You got it done there. But here, if you want this Bill to be passed, we will definitely support you, please incorporate some of the suggestions which the hon. Member, Shri Ahluwalia, has made and some of the suggestions which I might add. Please consider them.

MR. DEPUTY CHAIRMAN: I thought you are finally welcoming the Bill, but, now, you have come to suggestions.

SHRI SANTOSH BAGRODIA: I will come to that. Sir, if I close quickly, you will have a problem because this Actuaries Bill probably will not last that long. You want that whatever time has been given, we should talk that much...

MR. DEPUTY CHAIRMAN: No, no. There are other Bills.

SHRI SANTOSH BAGRODIA: Otherwise, it will look that we are not capable of talking.

MR. DEPUTY CHAIRMAN: You should help the Chair complete other Legislative Business. On another important Bill, there will be lot of participation.

SHRI SANTOSH BAGRODIA: Okay, Sir, I will give the suggestions very fast if that is so. There is no problem, particularly my Chief Whip is angry and ordering me. I will have to do it very fast, otherwise, next time, he will not let me speak. So, I follow your orders.

The responsibility of an actuary in life and general insurance business is to design and price insurance policies, as I have mentioned, as per the specification or the definition given in this Bill. But, Sir, what

3.00 P.M.

has happened? There were four thousand students of actuary sciences. Now, there are only 203 fellow. What kind of a drop out! And this drop out probably at that time was because there was not enough work for them. I am only wondering, with the increased business, what kind of policy the hon. Minister will implement and what kind of institutions he will have so that we can have these actuaries in thousands in the next two or three years. Unless we have them in thousands, the whole process will be delayed. I request the hon. Minister to tell us as to what is his plan of action in respect of these four thousand students who were dropouts. Now, we have only 203. At least, out of these four thousand, next year, let us have one or two thousand students who become fellows.

Sir, after the enactment of Insurance Regulatory and Development Authority Act, 1999, the insurance sector is poised for a rapid growth. There is no doubt about it. But, unless this is supported by actuaries, we will not have new products. Sir, like Cost Accountants, Chartered Accountants, Company Secretaries, this is a natural corollary to IRDA. That is why this Bill was necessary. But does it have the same authority? With the kind of Bill that has come and the kind of restrictions the hon. Minister has put in the Bill, will the Actuarial Society of India or the Institute of Actuaries of India have the same autonomy like the Chartered Accountants, Costs and Works Accountants and Company Secretaries? This Bill is perhaps one to the few Bills which were examined twice by the Department-related Parliamentary Standing Committees and both of them have suggested as was also suggested by my friend, that if you have only Government nominees in this Institute, then, even the IRDA has no right to have its own nominee. On behalf of IRDA, the nominees will be appointed by the Government! I can't understand all this. This sounds to be ridiculous because on the one hand, IRDA has got a nominee; on the other hand, the Government will appoint the nominee of IRDA! Then, there are three extra nominees. They will also be appointed by the Government. I do not understand what is the sanctity of appointing so many nominees by the Government. Why shouldn't a nominee be there from the Chartered Accountants Association itself? Why shouldn't nominee be there from the Cost and Work Accountants Association itself? Why shouldn't a nominee be there from the Institute of Companies Secretaries? They should be allowed to nominate whosoever they want. Then, it would be more welcome. That would be a more representative association.

Sir, the Bill provides for a mechanism for regular upgrade and standardisation of the Actuary science in the wake of emerging requirements. Chapter VII of the Bill provides for the Quality Review Board and its functions. I compliment him. This kind of Review Board is necessary. I will appreciate if the hon. Minister, while replying to our queries, informs us how it is going to happen.

Sir, Chapter V provides for a redressal against the verdict of the Disciplinary Committee through an independent/expert Appellate Authority. The hon. Minister has just now mentioned that this independent/expert Appellate Authority will be the same Authority which is already in existence because there is not much of a difference. Like actuaries, let us have a vision also. There will be so much business. Does he have any plan to expand it? Otherwise, again, the cases will get accumulated and it will take years and years together to settle them. Since the present Appellate Authority itself is very busy in handling their own cases, if you add further cases from actuaries, it will only delay the cases further. I would like the hon. Minister to consider this aspect also.

Sir, as this IAI builds forward linkages among the global actuary institutions, I would appreciate if the IAI is also alive to our country's realities. A large section of our population does not have the insurance cover, as he has mentioned, the farm insurance. What kind of products do we have? We hardly have any Product. We do need products or different kinds of products for different regions because India is a large country; the great India has got different claims different kinds of products for different regions because India is a large country; the great India has got different claims, different kind of products, and different kinds of terrain. Do we have a variety of insurance covers for that? No. Then, What will happen? Despite the kind of insurance policies which we have today, every with a magnifying glass, you cannot see the rules and regulations. The result is, the poor farmers will never get their claims because the product itself will be a defective product. We must have much more faster actuaries so that we could get some products. Sir, I have seen that while we have been trying to extend effective insurance coverage to our farm sector, that is still ravaged, annually, by natural vagaries. Then, for tiny entrepreneurs, we do not have any facilities for meeting the insurance needs of the tiny entrepreneurs, the service sector and the IT sector, which are increasing day by day. Do we have any special coverage for

them? Somebody told me how the IT sector developed so fast in Bangalore. It is very interesting. Sir, somebody mentioned that in Bangalore, in your own State, it developed because the Government itself did not know how to stop it. The Government is nowhere. It has no idea. The officers have no knowledge as to what is happening. By the time they gained some knowledge, the industry had developed so much that the Government could do nothing. But it is good that it has developed. It has increased employment opportunities. But do we have any insurance cover for these people? Some day it will collapse completely because of lack of proper insurance coverage. How fast can we get these special coverages for the urban poor? We don't have any insurance scheme for the urban poor.

Take medical insurance. We are all covered by CGHS as MPs. We are all covered by that scheme.

MR. DEPUTY CHAIRMAN: It is not insurance.

श्री सुरेश भारद्वाज (हिमाचल प्रदेश): एकच्युरी का काम नहीं है।

श्री संतोष बागड़ोदिया काम नहीं है? काम नहीं है, इसलिए कि उसमें आपका कवर है। उसमें गवर्नमेंट का सबसिडाइज हो रहा है, किसी को मालूम नहीं है। **Actuary** का काम है यह देखना कि आपको सबसिडाइज हो रहा है या हम कंट्री के सारे लोगों को सबसिडाइज नहीं कर पा रहे हैं और एम0पीज को सबसिडाइज कर रहे हैं, वह **actuary** बताएगा, इसलिए इसकी आवश्यकता है।

श्री उपसभापति : वह छोड़िए।

श्री संतोष बागड़ोदिया: आप यह मत समझिए कि **actuary** की दरकार नहीं। यह देखने की दरकार है कि 500 रुपया साल में एम0 पीज के पेटे जो इश्योरेंस को मिलता है, वह सही है या गलत है? यह मिल रहा है। इसके पीछे कितना खर्चा लग रहा है इश्योरेंस का, यहा किसी को मालूम नहीं है, इसलिए इसकी आवश्यकता है। अब एम0पीज को तो छोड़िए, सवाल है ऑर्डिनरी सिटिजन के पास क्या कोई इश्योरेंस कवर है? और अगर वह इश्योरेंस कवर है, तो क्या वह इफेक्टिव है? मैं बता रहा हूं, आज सुबह हमारे पास पार्टी ऑफिस में एक केस आया। हमारा एक गरीब कर्मचारी है, रिटायर्ड गवर्नमेंट अफसर है, **government employee** है, उसको कैंसर की बीमारी हो गई है। अब वह राजीव गांधी कैंसर रिसर्च इंस्टीट्यूट में गया, वह बेचारा रिटायर्ड है, तो सी0जी0एच0एस0 वाले एडवांस में रुपया हॉस्पिटल को नहीं देंगे। पहले रुपया देकर, फिर उसको क्लेम करना पड़ेगा, क्योंकि वह पेंशनर है। वे बोलते हैं कि हम बिना पैसा लिए सी0जी0एच0एस0 के ऊपर डिपेंड नहीं करेंगे, क्यों कि सी0जी0एच0एस0 बहुत वर्षों से हमारा पैसा

नहीं दे रही है और वह प्राइवेट हॉस्पिटल है। हमारे गवर्नमेंट हॉस्पिटल्स में कैंसर के ट्रीटमेंट की पूरी व्यवस्था नहीं है, ऑल इंडिया मेडिकल इंस्टीट्यूट को छोड़कर, जहां थोड़ी बहुत व्यवस्था है। तो इस तरह से जो लोग entitled है, गवर्नमेंट के रिटायर्ड अफसर हैं, जिंदगी भर जिन्होंने देश की सेवा की है, लेकिन आज जब उनको बिमारी हो गई है और इश्योरेंस होते हुए ही उनको कोई सुविधा नहीं मिल सकती है, इसलिए we have to have some kind of medical cover which is acceptable to every citizen in the country. That is possible only if the actuaries give a proper product and the product is made popular.

श्री उपसभापति: मैं इतना ही रिमाइंड कराना चाहता हूँ कि केवल आप ही वक्ता नहीं हैं कांग्रेस से, एक वक्ता और भी इस पर बोलने वाले हैं;

श्री संतोष बागड़ोडिया: आप हमें बता दीजिए कि हमारा टोटल टाइम कितना है, तो मैं दो मिनट में खत्म कर सकता हूँ।

श्री उपसभापति: अगर आप खत्म करें, तो दूसरे स्पीकर को दस मिनट दे सकते हैं।

श्री संतोष बागड़ोडिया : ठीक है, मैं दो मिनट में खत्म कर रहा हूँ।

Sir, I raise this particular issue of medical insurance because I am really concerned with the ordinary citizens of this country. I would like to know whether they have got enough medical insurance cover or not. Sir, without insurance cover, it will be impossible for them to be treated properly in any hospital in the country. It is for this reason it has become very important, very imperative that we need a good medical insurance cover for this purpose for the ordinary citizens. Now I come to clause 9 — Certificate of Practice. The Bill specifies that the Certificate of Practice could be obtained only after fulfilling the qualifications as prescribed by the Institute. The Ministry of Finance had agreed to incorporate such specifications. I hope the hon. Minister has incorporated it. The last point which I would like to mention is about penalties. The penalty is very low. It should be increased because it is a very serious matter. Actuary is a very serious job. For intentional mischief by any actuary, even for the first crime, there should be a provision for some kind of imprisonment. Unless it is done, there will be no deterrent. Although I have a lot of things to mention, I am sure my other friends and colleagues will cover all the points. Sir, as ordered by you, with great honour, I thank you for giving me this opportunity to speak. I once again compliment the hon. Minister. With these words, I support the Bill. Thank you.

MR. DEPUTY CHAIRMAN: Shri Rahul Bajaj. It is your maiden speech.

SHRI RAHUL BAJAJ (Maharashtra): Sir, this is not my maiden speech. This is just a comment on what I have heard today. I am still waiting for an opportunity for my maiden speech. I must first put on record that I am the Chairman of two insurance companies, *i.e.* the Bajaj Allianz Life Insurance Company and the Bajaj Allianz General Insurance Company in each of which 74 per cent of the equity is held by Bajaj Auto, of which also I am the Chairman. I have no personal interest in this matter and what I am saying has nothing to do with benefiting my companies.

MR. DEPUTY CHAIRMAN: This is called disclosure of interests under the Ethics Committee.

SHRI RAHUL BAJAJ: Absolutely. I would like to make three-four points not so much on the Bill which I support fully, but on what I have heard from Shri Ahluwalia, who has done a great deal of study and Shri Santosh Bagrodia. This is a highly specialised profession. To become an actuary, it requires years and tremendous hard work and experience. That is amongst the reasons, Santoshji, why we have such a few actuaries in the country. Secondly, the total number of actuaries you need in the country, highly qualified actuaries, is not all that large. It is not like the Chartered Accountants, or lawyers, or doctors or engineers or Cost Accountants which you need in lakhs. Here the requirement is limited. Thirdly, as was mentioned rightly by Shri Ahluwaliaji, till five years ago, this was purely a public sector field. The LIC gave life policies and the GIC had four subsidiaries which gave general policies. I am very happy that they continue to be in the public sector. They should continue to be in the public sector so that the private sector does not get a free run. On the other hand, points have been made about the Actuaries and insurance. They are two separate issues. The private sector has come up with about 22-23 companies, both life insurance and general insurance companies. There is a tremendous shortage of actuaries. We can't get properly qualified actuaries. They have to be certified and authorised by IRDA. We need more actuaries. If you have some extra actuaries, maybe, they will go abroad. I am not too much in favour of that, but they can get jobs outside. Actuaries are needed ail over the world. Many comments were made about insurance. शायद उन्होंने सांड बोला, वे गाडी पर चढ़ गए तो उनको क्लेम नहीं मिला, दूसरी चीज से कुछ हुआ, तो मिल गया। It is in the small print. Briefly, the

answer there, Sir, is competition. If you don't have competition, whether it is public sector or private sector, it is bad. If I may say so — I am from the private sector — the monopoly of private sector, I believe, is worse than the monopoly of the public sector. At least in the public sector, they share with a large number of people. But monopoly is bad. It is competition which will prevent all these mischiefs, that is, if there are mischiefs, because nobody will buy policies from a company, if it does not pay the claims, which are justified, in time. But that has nothing to do with the actuaries. Mr. Ahluwalia rightly said, "You need data." You need trained actuary. But you also need data. If you don't have the data, then, the actuary can't do much. But if you have the data and no trained actuary, then, again, you are stuck. So, you need both data and actuary to make the right policy, to make the right, what you call 'products', more and more products, to make care of the poor, tiny industry, etc. But premium will be charged. That does not take care of the poor. The actuary does not take care of the poor. He only gives you a product and tells you how much premium to charge. Somebody has to pay the premium. That is another story by itself. Whether it is the Pension Regulatory Authority Bill or the Insurance Bill, whether the Government pays that, whether the private sector pays that, or, whether the person himself pays that, that is another issue. As for the poor man, who came for help, for treatment of his cancer, the actuary cannot actually solve his problem. He can give a product. But somebody will have to pay his premium. I would conclude by only saying, "Yes; competition is very much required." I might also say, though this has nothing to do with the Actuaries Bill, as a person in the insurance industry, I support what I have read in the Press that the Government desires to increase the foreign equity from 26 per cent to 49 per cent. Let me also put it on record that I would be against it if the Government or anybody else decides to take the foreign equity to more than 49 per cent. Thank you. Sir.

MR. DEPUTY CHAIRMAN: Shri N. Jothi. Not here. Dr. Abhishek Manu Singhvi.

DR. ABHISHEK MANU SINGHVI (Rajasthan): Mr. Chairman, Sir, I rise to support the Bill. I heard the previous speakers with attention and I agree with most of what they said. In particular, I was most impressed by Mr. Ahluwalia's comments which showed very deep knowledge of the inner working of the insurance sector. I do not know whether he has

been an aggrieved customer, an aggrieved claimant or otherwise has worked in the insurance sector. But it obviously showed that he had the nitty-gritty knowledge of the insurance sector. Sir, we are not discussing insurance in general. We are discussing a very specialised area, the Actuaries Bill. The actuary field is so specified that I am reminded of what was said when the word 'Ombudsman' came in the early 60's in the dictionary of the Parliament of India. The word 'Ombudsman' was similarly a very unique word, and the question was put as to which zoo did this animal belong. I think that can actually be said for the word 'actuary' as well. I am happy to note that in the Hindi version, we have partly Indianised it by using the word 'Bimankank', and that is a very interesting word; I am not so sure whether any of us would agree with it.

Before I come to four specific suggestions, I wanted to say one preliminary thing which I hope the Minister and the Government will, generally, take into account. The real advantage, the real pioneering step and effect of this Bill would be if we are able to train and create a very broad based school of professionals in the actuaries fields. We, in India, lack that; whether we get them from outside or whether we have them in India, that is different. And, as Mr. Bajaj said, although large numbers are not required, but, still a much larger number than today is required. And, if we expect our insurance sector to grow with leaps and bounds, — I say this not only of life insurance, but also of several other areas of insurance — then, the underpinning or the foundation for that must be a very broad pool of actuaries who are touching every specialised sub-field of insurance. Therefore, the real merit, the real relevance of this Bill, remains not in the Bill itself but in what manner we actualise it and operationalise it; what amount of education we can impart in the top institutes in India, under the auspices of the institute that we are creating under this Bill, and how soon and how fast we can create professionals who are comprehensively trained.

Sir, for the consideration of the hon. Minister, I have three or four quick and very specific suggestions on the Actuaries Bill in particular. One, Sir, is about the qualifications. Now, since we all agree that Actuaries are a highly specialised sub-category of professionals, probably, more specialised than any other professional, we should consider introducing a provision, the absence of which we have lamented in several other professional Acts. We have lamented the absence of refresher courses

and continuing education, for example, as a condition of renewal of licence of doctors, of lawyers and of Chartered Accountants. In several other jurisdictions, it is common that a professional who once qualified, and the difference between a profession and a business is that you are supposed to have an element of learning in a profession, it is the accumulated aggregate of learning which distinguishes a professional from business. Now, that learning, once done, and once you become a professional is subject to no renewal clause, that your certificate every five years or ten years requires some amount of renewal, subject to a minimum quantum of continuing education, or, what is also called is -refresher courses. Pilots, for example, have to have it. But, of course, there are several other areas, and, I think, in the actuarial field, in particular, more than the other professionals. It is something which we can consider providing in the statute itself. We have found that although other professional fields have talked about it, once the Act has been passed in the legal field, in the medical field, for the Chartered Accountant, nobody has subsequently bothered to then provide by stipulation that you cannot get your professional status renewed unless you show a minimum quantum of continuing education every 'x' years, be it five years, seven years or ten years. I think, that will also be consistent with the highly specialised nature of the job, it will lend a reassurance to the public and it will generally be in the public interest, apart from starting a new trend which, hopefully, will also be accommodated for other professional fields.

Sir, the second specific suggestion for the hon. Minister and for this August House to consider is, that we have, I notice in this Bill a provision which either has the relatively mild consequence of reprimand or it has the *brahmashtra* of the death penalty, namely, removal. So, you can either reprimand or you can remove. Removal, Sir, as we know, is the ultimate death penalty and it is, therefore, because of the *brahmashtra* nature of the penalty, relatively infrequently used, very, very rarely used, in fact. Reprimand, for many cases, may not be enough. What I am suggesting, Sir, is that one must consider a graded hierarchy of penalties in between because for all professional fields, and in particular for Actuaries, we need to reinforce public assurance, public faith and public trust in these bodies, and, for that, if we have, for example, we can consider several variants, whether it is suspension for a minimum period of time, whether it is something beyond reprimand in terms of a temporary suspension of licence for a few months or a few years, and less than removal, it would

be in the public interest because, I think, it is most important to connect with the average public who thinks that when a professional becomes errant, he deserves to be comprehensively dealt with always by his peers, but the peers must have a graded hierarchy of powers, and not merely the minimum and the maximum with nothing in between.

Sir, the third suggestion is in the context of the appellate body. There is, as we have noticed in the various clauses, clauses 32 and 37, in particular, an appellate body is proposed. I only wanted to make a small suggestion that when you have an appellate body like this, and you have prior to the appellate body a disciplinary committee, the basic object is that peers decide the errors, if any, or peers. The idea is to minimise outside interference because in law, in medicine, in Chartered Accountancy and in other professional fields it is assumed, may be rightly, may be wrongly, we are not passing a value judgement on that, that peer evaluation, peer disciplinary action, peer punishment is what is required, which, I think, is a salutary principle. Now, if that be so, Sir, a normal provision which is normally found in all such enactments which provide for an appellate authority and an appeal is that civil court's jurisdiction is barred, that is a parallel provision, it is a reinforcing provision, it is a subsidiary provision which reinforces the main sentiment and the main spirit. As far as I can see, that is missing in the present Bill, and, I think, that would reinforce the basic object that you have a two level peer disciplinary body, first, composed of the disciplinary committee and at the second level of an appellate body.

Sir, lastly, I would like to say about a point which my friend, Mr. Bagrodia has already made, but I want to expand on it, because perhaps, we have not realised the importance of that point. The point he made rightly was that it is not quite right to have, as is provided in clause 32 for the same existing appellate body, which we have today, for Chartered Accountants to be the appellate body for considering disciplinary appeals for the Actuaries. That is what is provided in the Bill. I have some practical experience from another area of profession where, in actual fact, we find that the Disciplinary system of the Chartered Accountants which, of course, includes the Cost Accountants and several other professionals falling within the ICWA fold, is so clogged, is so crowded, is so overworked by numbers that the actual turn of decision comes many months and years after and there are cases ten years having elapsed before a decision.

The point is not the time factor alone. The point is, you are trying to reinforce public trust, public confidence in these institutions and professionals and the public should not feel that if there is a legitimate or any complaint, it is not decided either way by dismissal or allowing for years on end. There, I find that you are adding Actuaries to it. You are expecting that Actuaries will start increasing in numbers over the next few years, you are expecting rightly an explosion in the insurance sector. If that be so, the already clogged wheels and the already clogged inner workings of the disciplinary body for the Chartered Accountants will be ever slow to move for Actuaries. In fact, I find it a little inconsistent and anomalous that in that same clause 32 of the Bill, what they have proposed is that you have the existing disciplinary body, appellate body, in which you add 2 actuary members as members.

Now, perhaps, it is not being realised that those members would be sitting idle as far as the large number of Chartered Accountant cases are concerned because Actuaries are not supposed to deal with Chartered Accountants' disciplinary actions already going on, whereas the Chartered Accountants would be sitting idle so far as the Actuaries' matters are concerned even when they come for the disciplinary body.

So, Sir, I think, there is some mismatch there. A very simple change can be, make this body into a separate body. After all, you are setting up a new institute. If you are setting up a new body, if you are giving a new focus to a new segment of professionals, if you are trying to give a fillip to insurance, then, it follows and the spirit is consistent with providing for a separate appellate body to give it the requisite status to impart the requisite confidence to it.

Sir, I, therefore, suggest these for the kind consideration of the Minister and rise in support of the Bill, generally. Thank you, Sir.

SHRI EKANATH K. THAKUR (Maharashtra): Thank you, Sir, I rise in support of the Bill and would like to make a few suggestions. Sir, probably, I am the only person in this House to speak on this subject, who has been considered not-insurable for the last about 36 years by the LIC, because I happen to be a patient of squamous carcinoma, the squamous cancer.

Actuarial science has been practiced for many, many decades now, but there risk-analysis which is so watertight that quite a few like me

have been considered un-insurable. I had the privilege to be associated with the LIC of India, its Officers' Federation and I was also the President of All India GIC Officers' Federation of all the combined four entities, and, therefore, I happen to know individually Actuaries and the Acturial practice.

[THE VICE-CHAIRMAN (PROF. P.J. KURIEN) in the Chair]

Sir, I do know that the Acturial science is not as tough as rocket science but, all said and done, it remains to be a science which is obtuse, inscrutable and august to many others who observe it. It is a science wherein we try to calculate the present effect of a future contingent event. It is a science wherein we do risk modelling-based on higher mathematics; it is a science in which also we do finance modelling, it is a science which helps in asset-liability management to the insurance companies. Sir, therefore, it is a very, very important science and as the new Member, Shri Bajaj who is also the Chairman of two insurance Companies, has mentioned actuaries do not number in thousands. Today I believe we have about 1,47,000 Chartered Accountants in India; while actuaries are two to three hundred in number and about 100 of them as was mentioned by someone, are outside India. Sir, let me tell you that when a group becomes smaller and smaller and it controls assets which run into lakhs of rupees, as in the case of the LIC, that group is also subject to manipulation. I must mention here that in the LIC of India during '1970s and '1980s there were two groups of actuaries, and one group of actuaries headed by one Mr. Vishwanathan—who is no longer in this world, and who in his actual science stood first—with many other actuaries, used to insist that the Life Fund of the LIC of India has not been properly calculated. He was ostracised by his colleagues who owned their loyalty to the establishment. So, I only want to highlight that there is a great deal of power because of the knowledge of intricacies of the actual science that vests in the actuaries. If actuaries are not overseen properly by the IRDA or such other regulatory agencies, then it is likely that the interests of those who ensure, may be with the public sector companies or with the private sector companies, can be greatly jeopardised. Sir, I would like to mention one or two more facts and take leave. It is because of this reason that just as even properly educated actuaries can defer on actual calculations which are so high, improperly educated quacks who fraudulently claim to be actuaries can do tremendous amount of damage and because of the shortage of actuaries there is every possibility that

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RAJYA SABHA

such knowledge and such qualifications can be claimed by some who could cause incalculable damage to the nation and to the companies. Therefore, the punishment that has been provided under clause 37— The Penalty—in my opinion, is very mild because penalty of one year or fine of one lakh rupees is hardly a compensation for the kind of untold damage that a person who fraudulently claims to be an actuary can inflict on a company. I wish the Minister would look into this. Sir, while on the subject of actuaries, many issues have been raised and my colleagues on the treasury benches have also raised the issue of a very important element of insurance, namely, farm insurance. Sir, right now, in my State and you know in many States of India during the last about 6 to 8 years, there has been a spate of suicides by farmers with which this whole nation and the entire polity is shaken. As I mentioned some time ago, continued suicides by farmers constitute the greatest stigma on our polity, on our democracy, on the functioning of this great House. Therefore, one of the remedies to this uncertainty of incomes of a farmer lies in providing farm insurance. Sir, in USA there is group insurance and individual insurance under which every farmer's yields are ensured and his income is insured. If there is a ten-hectare piece of land, then what would be the yield? That yield is also assured and, by way of a certain amount as a price of that yield, even the income, is assured. This nation has, over a period of time, to move to a situation where we are in a position to give these guarantees to our farmers and the nation must be in a position to give guarantees because the input cost of agriculture has tremendously increased. Agriculture in small, small plots, pocket-lands, is becoming uneconomic and that is the main reason for which these suicides have been taking place. Therefore, just as there is Universal Service Obligation Fund in the telecom sector, there must be a Farm Insurance Obligation Fund in the insurance sector. Sir, the Government of India, if it is serious about farming, about the agricultural sector, just as it has thought of a Universal Service Obligation Fund for the telephone sector, similarly, it must think of a Universal Farm Insurance Fund which has to be collected by way of levy from the public sector companies and also private sector companies such as those of our respected Shri Bajaj. And then, from out of those collections, we have to subsidise farm insurance. Farm insurance is not going to be economic, as you know, and, therefore, from the Universal Service Obligation Fund, the farm insurance has to be subsidised. So, through your good self and through the Minister, I would

urge upon—because we are thinking of the Actuary science, we are thinking of the insurance industry—and I would definitely request that such a Farm Insurance Obligation Fund is created from out of the profits of all the insurance companies—the life insurance and general insurance companies—and insurance is provided to our farmers. Sir, I would also draw your attention to Clause 50. Clause 50 is a dull, dreary subject, but this has entertained me quite a lot and I was laughing while reading this section. Clause 51(1) says, "Where an Actuary in practice or a firm of such Actuaries has more than one office within or outside India, each one of such offices shall be in the separate charge of a fellow member of the Institute." This is very well thought out section. There is such a shortage of Actuaries, as respected Shri Bajaj has mentioned.. There is a great demand for them. And if one Actuary is setting up some ten, fifteen, twenty offices, it is going to be difficult for him to run those offices and to provide expertise from those offices. Therefore, if any such person who has an ambition to be an Actuarial entrepreneur starts setting up ten or twenty offices, then in each one of those offices he must ensure the presence of one Actuary at all times. But, Sir, the same section says, under the proviso, "provided that the Council may in suitable cases exempt any Actuary in practice or firm of such Actuaries from the operation of this sub-section." Sir, you lay down a condition to say that every office should be managed by an Actuary and then you say, the Council may exempt in suitable cases. Now, how will the cases become suitable? I would like to be enlightened on this and would like to know from the Minister what are the means, methodologies and *modus operandi* by which an unsuitable case will become a suitable case. Therefore 'in suitable cases' it is not compulsory. And, if it is not compulsory, why this Clause 51? Why after Clause 51(1) you make a proviso and say that the Council may in suitable cases exempt any Actuary from its operation. Sir, suitable cases will mean suitcases, not suitable cases. It would mean suitcases. You carry a suitcase; your case becomes a suitable case. Therefore, Sir, this proviso, that is proposed to be enacted today, makes a mockery of this Clause. So, I would invite your kind attention to this and request the hon. Minister that this provision makes a mockery of the Clause. Therefore, this proviso has to be deleted. Thank you.

SHRI PAWAN KUMAR BANSAL: Sir, I thank all the hon. Members who have participated in this discussion and have made many valuable suggestions to the Government regarding the working of the Bill.

As it has been universally acknowledged, the role of the Actuaries in the days to come has to expand tremendously with the expansion of the economic activities, particularly those relating to the insurance sector. For that precise reason, the definition of the term 'Actuary', included in the Act, takes note of the various forms of activities, the various forms of advices or the calculations which an Actuary may be called upon to render or make.

Sir, the insurance penetration into the country is only 3.5 per cent. We all do acknowledge the need for expanding the insurance services and taking it right up to the remotest corners of the country and, for all that, I would like to say, at the moment, the Government is conscious of this fact. The Government wants all the vulnerable sections of the society to be covered by various affordable insurance schemes. And, I would thank all the hon. Members for expressing their concern about this important sector. So far, a highly skilled profession as that of the Actuaries, there is no denying the fact that the quality of training has to be excellent. We have got to ensure that on the people, who enter this profession, lie a vast responsibility on their shoulder to devise products, modulate products, to advise their clients and also the corporate management about the various products that have to be brought into the market to suit different sections of the society. The education and training that has to be imparted to them is to be of high standard. But, for that, as in the case of other professions, the Government feels that it has to be left to the Institute as such. In this context, I would like to read out to you, briefly, the provisions of Clause 5 of the Bill, which says, "The objects of the Institute shall be to—(a) promote, uphold and develop the standards of professional education, training, knowledge, practice and conduct amongst Actuaries; (b) promote the status of the Actuarial profession; (c) regulate the practice by the members of the profession of Actuary; (d) promote, in the public interest, knowledge and research in all matters relevant to actuarial science and its application; and (e) do all such other things as may be incidental or conducive to the above objects or any of them." Sir, an opinion was expressed, and rightly so, about the need of continuing education, about the need to ensure that the knowledge acquired yesterday does not become obsolete tomorrow, you have to get ensure that that there is some mechanism by which the Actuaries keep refreshing their knowledge and remain up to date in their profession. For that, again, though there have been two viewpoints expressed—one, that the role

that the Government assumes for itself is rather on the excessive; and, the other that the Government really does not have to do anything with the various activities—the Government feels that its role has to be that of a catalyst, of that of a facilitator and to lay down certain things, and, then, leave to the concerned professional bodies to further pursue. In this context, Sir, I would like to refer to provision that we have in the Bill about the 'Establishment of the Quality Review Board'. It has been dealt with under clause 44. It says, "The Central Government shall, by notification, constitute a Quality Review Board consisting of a Chairperson and not more than four Members:

Provided that in the case the Board is constituted with two Members, one each shall be nominated by the Board and the Central Government, respectively."

Clause 45 deals with the functions of Board. It says, "The Board shall perform the following functions, namely:—

(a) to fix standards for the services provided by the members of the Institute;

(b) to review the quality of services provided by the members of the Institute including actuarial audit services; and

(c) to guide the members of the Institute to improve the quality of services and adherence to the various statutory and other regulatory requirements."

So, once the Quality Review Board lays down the standards, it would become imperative for any actuarial profession to really update his knowledge always. In a competitive world, he has got to do it for a sheer survival; otherwise others would overtake. Therefore, there is no occasion for any sort of misgiving or doubt on that that the profession, perhaps, might not throw up as qualified Actuaries as would be needed in the days to come.

Sir, there was a reference to the composition of the Council of the Institute. I would like to, again, just briefly refer to the provisions, that is, clause 12(2), which deals with the composition of Council of Institute. It says, "The Council shall be composed of the following persons, namely: (a) a minimum of nine and not more than twelve persons from amongst fellow members to be elected by the fellow and the associate members of the Institute in such manners as may be prescribed;..." Up to nine, Sir.

And, so far as the number of nominated members is concerned, one will be nominated by the Government from amongst the members of the Insurance Regulatory and Development Authority; and, two from amongst the host of qualifications which have been given here, consisting persons from various associated experts in various fields. A question has been raised that why the Government should nominate a member from the IRDA, and why it should not be left to the IRDA only to send their own nominee. This question was discussed even in the Standing Committee. I would, with all the humility, like to submit to the hon. House that whenever the Government takes upon itself the responsibility of nominating any person or anybody from amongst a particular category, it is always the endeavour of the Government to ensure that that it carries out some sort of consultation with that particular group. And, I can assure the House that in prescribing the regulations to be framed, care would be taken of that. But, if it were to be provided in the Act itself that the IRDA has to send one representative, one could still understand, but though that could also become a rigid provision in the days to come. It could be time-consuming; it could have taken longer time. But when we have many other fields, like those of education, insurance, finance, law, only to have to be picked up. The number of fields that we have mentioned is quite a few. To whom would one leave that? Therefore, the Government, rightly, has to take that responsibility upon itself to nominate two members who have excelled in any of those given fields. I again urge, Sir, that the hon. Members need not really entertain any misgiving, any doubt about that. The Government is duty bound to ensure that the best possible people that it can find would be made the members of the Institute to run the council in that fashion.

Sir, there was a point made about a single appellate authority for the Chartered Accountants as also for the actuaries as is being now provided by this Bill. Sir, in this context I would again like to reiterate what I had briefly mentioned earlier that this is a new Bill. It is for the first time that a statutory institute is being provided for to regulate and to deal with the profession of the actuaries. Therefore, we rightly feel, I would say with all humility in this regard that when you have an Appellate Authority; that appellate authority for this purpose would not be just the same that you have for others. I am grateful to Shri Abhishek Singhvi that he has drawn the distinction between the two. The Appellate Authority for the purposes of actuaries would be presided over by a person who has been

a judge of a high court and who is nominated as the Chairperson of the Appellate Authority. The Chairperson would be the same for all the Appellate Authorities. But the other members under clause (b) would change. Why is it so? That was the question which was raised. Sir, earlier, before the recent amendment to the Chartered Accountants Act, the Appellate Authority in the case of Chartered Accountants was the High Court. It was not a statutory Appellate Authority as such. Since an amendment has been made as recently as in last session only, Sir, there is, practically no work with the Appellate Authority at the moment. If we were to set up four different appellate authorities, say, one for the Chartered Accountants, one for the Company Secretaries, one for the Cost and Works Accountants and one for the Actuaries, with the task that it entails, it would be a wasteful expenditure. And our hon. Members often raised their voices in the House to say that the Government must cut wasteful expenditure. I can assure you, Sir, that since this is a new provision, as the work picks up, the Government would have to come before the House, and the House in its wisdom would then guide the Government to adopt a particular course. Sir, even when there is no work, we agree that there is a need to make a provision. It is not that we know that there would be work in the days to come, but still we are making one, and then there will be a backlog of cases. That is not foreseen at the moment. Sir, the number of actuaries, as I said in the beginning, is only 203 in the country at the moment. Though this number is expected to rise over the years, the projections are that there are about 4000 students now who have registered themselves for pursuing the course in the actuaries science, and including them and a few others like associates and affiliates, the total number, at the moment, is about 4300 and more. But it is expected that this number would be, at least, 10,000 by the year 2010 and 15,000 by the year 2015. When we find that there is need for a separate authority, one would certainly consider that matter. But, today, I think, it would be prudent to have only one and only one Appellate Authority for this purpose because all these Acts are, one could say, quite similar and in *pari materia* to each other. Only when there is necessity for some change, a change has been incorporated, but, otherwise, the Bills dealing with various professions are almost on the similar lines. That was precisely one of the reasons why it was felt that after the Chartered Accountants Act is amended, only then, this Act should be brought to the House. That is how this was further delayed for some time because first we wanted to

amend the Chartered Accountants Act, after that was done, only then, this Bill was brought about.

An apprehension was expressed that there are a large number of students, but lesser number of actuaries. So, are there any dropouts? Sir, I would, again, like to emphasise here upon the absolutely high standards that are expected of the Actuaries. It is just like the others. This law provides that the associate members and the fellow members of the institute and the students are also treated to be affiliates as such. Sir, I would just like to refer to that provision. Sir, clause 7 talks about the associate members, fellow members, and, then, the right to use after their names the initials AIAI in the case of associate members and in the case of fellow members, it is FIAI. Sir, as for the examinations, etc.—I have read out the earlier provisions about the objectives of the Institute—it would be for the Institute to lay down as to what standards they expect and any person who passes the examination, who clears the course that is prescribed for this purpose would be entitled to become a member. Once he becomes a member, only thereafter, he is entitled to practise individually, alongwith others, or, in a management.

Sir, there was a reference, again, to different views, and I appreciate both, about the quantum of penalties provided for in the Bill. Sir, there are two provisions, clause 30 and clause 38. I would request Dr. Singhvi to kindly just bear with me in this clause. We have taken care of the graded sort of penalties. There are options available to the Council to impose any penalty. One is reprimand, as he rightly referred to, this is sub-clause 30 (a). Sir, the first penalty that could be imposed is to reprimand. Second is to remove the name of the member from the register permanently, or, for such period as it thinks fit. So, it is not guillotine, it is not cutting of the head. If the offence or the delinquency of the Actuary concerned is considered to be of a grave nature, the Council may go beyond reprimand. In a given case, the right is absolutely that of the Council—to remove the name of the member from the register, bar him permanently, or, to remove him only for such period as it deems fit, that is equivalent to suspension, and, then, to impose such fine as it may deem fit, which may extend up to five lakh rupees. I suppose that would meet the concern of Shri Ekanathji when he says that penalties are mild. There is a penalty of five lakh rupees which has been provided in this case, but it is subject to the final decision of the appellate authority. And in the case of clause 38,

4.00 P.M.

Sir, which is regarding "penalty for using name of the Institution awarding degrees of Actuarial Sciences, etc." Sir, as we have a mushrooming of fake universities elsewhere, giving certificates which have no value worth the name, to deal with such cases—the people who are not authorised to practise, their cases have been brought to notice—we do come across such cases in all the professions, where people who do not possess the requisite qualification, still try to practise that profession—penalty is a little more stringent because it provides even for imprisonment. In this case, I am not reading the entire thing from clause 38, penalty is, he or she shall be punishable on first conviction with fine which may extend to one lakh rupees and on any subsequent conviction with imprisonment which may extend to one year, or with fine which may extend to two lakh rupees, or with both. Sir, we have taken care of both the situations. ...*(Interruptions)*...

SHRI SANTOSH BAGRODIA: Sir, our statement was, in the first instance, something should be done. At least, there should be some kind of...*(Interruptions)*... That was the difference. It is being taken care of, that is right.

SHRI PAWAN KUMAR BANSAL: One lakh is the penalty that is being provided for the first conviction. Sir, I take note of the view of the hon. Member, but that is how it is felt for the time being. I would again like to repeat the points, Sir, only for the sake of adding emphasis to it that this is a new legislation intended to deal, for the first time, with the profession of actuaries. And, therefore, it is as we gain from experience; as we move forward, various suggestions would come forward, various experiences would be gained, and, based on that, the Government would always be open to come forward to the House and seek the guidance of the House on those matters.

Sir, there was a very valid point made by Shri Ekanath Thakur, though not directly concerned with the Actuaries Bill as such. If I could understand that correctly, that was about the Universal Service Obligation, like what the Government has introduced in the case of telecom. Sir, presently, as I earlier said, the awareness about the insurance, the outreach of the insurance, is not really what we would like to have in our country. But, Sir, slightly a digression from it, but, at the same time, quite relevant, if I may share that with the hon. Members. That is, in the case of motor vehicles, in the case of insurance of the motor vehicles, because

it was felt that there was a regular complaint that the third party insurance is not underwritten by the various or some companies, whereas the companies felt that the demand on them was much more, and it was not a viable project at all if people only go for third party insurance. It is under the consideration of the Government to start something like the pool funds in case of third party insurance because, the loss to the third party could be immense and the third party needs to be compensated about it. So, that is under the consideration of the Government, and, I am sure, that would, to an extent, meet the anxiety, particularly, at this stage, about the need to have some sort of Universal Service Obligation Fund. It would be akin to that, if not exactly what it would be, but then in a society as ours and because of the National Common Minimum Programme that we have, Sir, we are also endeavouring to see that there is some sort of insurance for the poor people; some States have done it. The Government is mulling over the idea to have some sort of insurance scheme for the people below the poverty line and others with some sort of contribution by them, some by the Government to provide them some sort of insurance for the difficult days to be tided over.

Sir, Shri Ahluwalia, who made a very erudite speech otherwise spoke on many, many issues, made one point about the collection of data about the students and others. Sir, I am afraid, as such, there has been no collection of data by the Actuarial Society of India and the Institute will undertake activities which are mandated under clause 5 of the Bill.

Sir, I must honestly admit that I cannot really give the statistics about the question raised by Shri Bagrodia about the number of claims made and the number of claims settled. But I can have legitimate satisfaction in informing the House, Sir, that the insurance companies, the public sector insurance companies have, over the years, in winning acclaim in settling the claims, a large number of claims, to the satisfaction of the claimants, and various companies have bagged awards of appreciation from various television channels, from business prophets and others who do look into this matter. Sir, in a society as aware as ours with the Right to Information Act, as we have provided for now, a question can always be raised about the quality of service provided, about the policy holder friendly services, products offered by the insurance companies and going by any parameter whatever, the insurance companies have come up to it. There are cases where insurance companies have to repudiate claims,

and this is in the business world. There are instances; instances are not wanting, where you come across matters where the claims are false. I do see merit in the point that there are various types of products, various types of causes leading to a particular claim, which may not be really provided for in the policy as such, which is in the form of a contract. Therefore, it may be difficult for the concerned company to really honour that and that is precisely the function of the Actuaries. When, Actuaries come forward with various proposals and schemes to their respective clients, to their managements, well, in the days to come, because they would be in a competitive world, they would like to do it.

Sir, if I have not missed any other point, I would like to make a reference to one last point. I really thank Shri Rahul Bajaj for giving that support to us; the Government does give warnings. We warned that the insurance sector must be expanded and their coverage must be vast. If I am not mistaken, Sir, it takes seven years for a company to break even. If a new company starts today, it has to pump in money for seven years because the claims would start the very next day. So, there has to be enough money with those companies so that investment is attracted. It is only for that purpose and for no other purpose, only to enhance the quality and reach of the services to the people, that we, the Government, are desirous of taking the foreign equity from 26 per cent to 49 percent. I would be extremely grateful to the Members of Parliament if we have their support and the Government is able to take that forward. With that, the insurance sector would certainly open up much more. The number of services that we expect, the number of products that we want for the people, different products to suit different pockets, to suit different eventualities, different situations, would really be available off the shelf and would be available to the people. Sir, I would certainly solicit that support from the Members when that Bill comes.

With these words, I once again thank all the hon. Members for participating in this discussion. And I can only assure them, any point which I might have left while answering today, we have taken note of that and we would certainly be wiser by their suggestions. They would certainly help us to move forward in this matter.

With these words, Sir, I would commend the Bill to you and request you to kindly take up the clause-by-clause consideration and then ultimately pass it.

[10 August, 2006]

RAJYA SABHA

SHRI SANTOSH BAGRODIA: May I just ask one thing from the hon. Minister, Sir? As Mr. Ahluwalia has also mentioned, would the hon. Minister kindly assure us that they would not make it a dumping ground for retired officers of the Government and make them members, and that even among the serving members, there would be only experts? Can the hon. Minister assure this? That was the cause of worry.

SHRI PAWAN KUMAR BANSAL: Sir, I think, as mentioned, the provisions of the Bill do take care of that. I mentioned that point, Sir. Perhaps Shri Bagrodia was not present here then.

SHRI SANTOSH BAGRODIA: I was present when you mentioned that.

SHRI PAWAN KUMAR BANSAL: I am sorry if you were here and I said otherwise. It is mentioned that the Council shall be composed of a minimum of nine and a maximum of twelve persons to be elected by the Institute, one to be nominated from amongst the IRDA and only two from outside. Sub-clause (ii) of Clause 12 says, "not more than two persons having knowledge in the field of life insurance, general insurance, finance, economics, law, accountancy, or any other discipline which, in the opinion of the Central Government, would be useful to the Council, to be nominated in such manner as may be prescribed". It is only two persons and a large number of fields.

Then, Sir, it is further provided that 'no person holding a post under the Central Government, or a State Government, as the case may be, shall be eligible for election to the Council under Clause (a) of sub-section (2)'. Even that has been provided for.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Yes, it has been well taken care of.

SHRI PAWAN KUMAR BANSAL: It is not a retired person, but a person holding a post; we are barring elections to them.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): That is right.
...(Interruptions)...

SHRI PAWAN KUMAR BANSAL: Sir, it would be difficult for me to assure that in no case a retired officer would be taken. ...(Interruptions)...

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): It is only two nominations; why do you worry?

SHRI PAWAN KUMAR BANSAL: And he should have no misgivings about that.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Yes, it is only two nominations.

SHRI PAWAN KUMAR BANSAL: If a person who has made his name in any of these fields, had been a Government officer at some point of time, I am sure, they would welcome his presence there.

SHRI SANTOSH BAGRODIA: Sir, the misgiving is there because this is what has been happening in all the other places. That is why this misgiving is there.

SHRI PAWAN KUMAR BANSAL: Given the number, Sir, it can never become a dumping ground.

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): Sir, I have one more request for the hon. Minister of State for Finance. Now, I am speaking as an ordinary MP, not as a Minister of State in Commerce. ...*(Interruptions)*... Sir, the headquarters of IRDA are in Hyderabad. I would earnestly request my colleague and the distinguished hon. Member from Chandigarh to consider the location of the Institute for Actuaries in Hyderabad because, I think, there is a lot of convergence between what the IRDA does and what the Institute will do. I think, it will be a gross waste of national resources if this is located at any other place, other than Hyderabad.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Now, the question is:

"That the Bill to provide for regulating and developing the profession of Actuaries and for matters connected therewith or incidental thereto, as passed by Lok Sabha, be taken into consideration."

The motion was adopted.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Now, we shall take up clause-by-clause consideration of the Bill.

Clauses 2 to 59 were added to the Bill.

The Schedule was added to the Bill.

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

[10 August, 2006]

RAJYA SABHA

SHRI PAWAN KUMAR BANSAL: Sir, I beg to move:

"That the Bill be passed."

The question was put and the motion was adopted.

The Central Silk Board (Amendment), Bill 2005

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Now, we taken up the Central Silk Board (Amendment) Bill, 2005.

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVA): Sir, I beg to move:

"That the Bill further to amend the Central Silk Board Act, 1948, be taken into consideration."

Sir, the proposed Central Silk Board (Amendment) Bill, 2005 aims to ensure quality standards for production of silk-worm seed, restrict production of seeds of only authorised races, to control unauthorised production and trade, to control and prevent the entry of untried and untested hybrids from other countries likely to be carrying disease and other unknown risks. With this view, the Central Silk Board (Amendment) Bill, 2005 was introduced in Rajya Sabha in 2005 for creation of regulatory mechanism with respect to silk-worm seed that will comprise of creation of Silk-worm Seeds Committee under the Silk Board making them responsible for standards and other related matters, constitution of Hybrid Authorisation Committee and the Registration Committee, constitution of Seed Testing Laboratories and Agencies for testing and certifying and inspection of such seeds, vesting Customs Officers with the powers of inspection with respect to export and import and making hindrance to such standards a punishable act and making provision to give effect to the Central Silk Board Act and rules notwithstanding anything inconsistent contained in other enactments. After introduction of the Bill in Rajya Sabha, the Bill was referred by the hon. Speaker to the Parliamentary Standing Committee on Labour for examination and report. The Committee has given certain recommendations. Most of the recommendations have been accepted by the Government and the revised Bill is for the consideration of the House.

The question was proposed.