



GIBNA AMENDMENTS – ANTI-NATIONAL, ANTI-PEOPLE

ALL INDIA FORUM AGAINST PRIVATISATION

General Insurance Business ACT (GIBNA)

- ▶ ORDINANCE WAS PASSED ON 13TH MAY 1971 TO NATIONALISE 107 PRIVATE GENERAL INSURANCE COMPANIES
- ▶ SUBSEQUENTLY A LEGISLATION WAS PASSED IN THE PARLIAMENT AND GIBNA CAME INTO EFFECT IN THE YEAR 1972. GIC WAS MADE AS THE HOLDING COMPANY AND FOUR SUBSIDIARIES VIZ. NATIONAL INSURANCE, NEW INDIA ASSURANCE, ORIENTAL INSURANCE AND UNITED INDIA INSURANCE WERE ESTABLISHED
- ▶ GIBNA ACT WAS AMENDED IN THE YEAR 2000 TO DELINK THE FOUR SUBSIDIARIES FROM GIC. GIC WAS MADE AS GIC RE REINSURANCE COMPANY AND THE FOUR COMPANIES AS INDEPENDENT ONES
- ▶ GIBNA ACT WAS AMENDED AGAIN IN THE YEAR 2015 TO DISINVEST THE SHARES OF FOUR PUBLIC SECTOR GENERAL INSURANCE COMPANIES AND GIC RE. A PROVISIO WAS INTRODUCED THAT THE SHARES OF THE CENTRAL GOVERNMENT WILL NOT GO BELOW 51%
- ▶ GIBNA ACT IS AMENDED AGAIN IN 2021 TO DELETE THE PROVISIO WHICH TALKED ABOUT MANDATORY HOLDING OF 51% BY THE GOVERNMENT OF INDIA

Growth Of Public Sector General Insurance Companies

- ▶ 1971 - CAPITAL INVESTED - 19.5 CRORES
- ▶ 2021 - ASSETS OF THE COMPANIES - 2,00,000 CRORES
- ▶ 1971 - BUSINESS UNDERWRITTEN - 184 CRORES
- ▶ 2021 - BUSINESS UNDERWRITTEN - 75000 CRORES
- ▶ 1971 - NUMBER OF BRANCHES - 784
- ▶ 2021 - NUMBER OF BRANCHES - 7890
- ▶ 1971 - NUMBER OF PEOPLE COVERED - LESS THAN A CRORE
- ▶ 2021 - NUMBER OF PEOPLE COVERED - MORE THAN 50 CRORES

SOCIAL SECTOR POLICIES

- ▶ PRIME MINISTER FASAL BIMA YOJANA
- ▶ PRIME MINISTER AYUSHMAN BHARATH HEALTH INSURANCE SCHEME
- ▶ PRIME MINISTER SURAKSHA BIMA YOJANA
- ▶ JANATA PERSONAL ACCIDENT INSURANCE
- ▶ NAGRIK SURAKSHA INSURANCE
- ▶ CATTLE INSURANCE
- ▶ CORONA KAVACH INSURANCE
- ▶ PUMPSET INSURANCE

PENETRATION AND DENSITY

- ▶ INSURANCE PENETRATION IS DEFINED AS THE RATIO BETWEEN THE COUNTRY'S GDP: INSURANCE COMPANIES GDP
- ▶ GENERAL INSURANCE PENETRATION IS 1% WHICH ITSELF IS NOT A MEAN THING
- ▶ GENERAL INSURANCE DENSITY IS 20 DOLLARS
- ▶ INDIA STANDS IN 15TH POSITION AMONG THE WORLD COUNTRIES AS FAR AS GENERAL INSURANCE PENETRATION AND DENSITY ARE CONCERNED
- ▶ WORLD ECONOMIC FORUM HAS COME OUT WITH A REPORT WHICH CALCULATES THE DENSITY BASED ON PER CAPITA INCOME AND AS PER THE REPORT INDIA STANDS IN 3RD POSITION AMONG THE WORLD COUNTRIES
- ▶ GENERAL PERFORMANCE IS MUCH SUPERIOR WHEN COMPARED TO INDIA'S POSITION IN HDI, GLOBAL HUNGER INDEX, HAPPINESS INDEX ETC.

UNETHICAL THY NAME PRIVATE COMPANIES

- ▶ THE PRIVATE COMPANIES ADOPT ALL UNETHICAL AND IMMORAL PRACTICES TO PROCURE BUSINESS WHICH THE PSGI COMPANIES CANT DO BECAUSE OF ITS COMMITMENT TO THE NATION AND IT IS SUBJECT TO VARIOUS AUDITS AND COMPLIANCES
- ▶ THE BROKERS, BANKS, DEALERS, CORPORATE AGENTS FAVOUR PRIVATE COMPANIES FOR THE PAY -OUTS
- ▶ THE PRIVATE COMPANIES SPEND HUGE MONEY ON THIS WHICH THEY SHOW IT AS ADVERTISEMENT OR BUSINESS SUPPORT SERVICES IN THEIR BALANCE SHEET
- ▶ ONE PRIVATE COMPANY SHOWED 615 CRORES AS ADVERTISEMENT EXPENSES AND 415 CRORES AS LEGAL EXPENSES. ON THE CONTRARY THE BIGGEST GI COMPANY IN INDIA VIZ. NIA HAS SHOWN 28 CRORES AS ADVERTISEMENT AND 85 CRORES AS LEGAL EXPENSES

PUBLIC VS PRIVATE

- ▶ PUBLIC SECTOR GI COMPANIES HAVE 7890 OFFICES AND 40% ARE IN RURAL AREAS AND BRANCHES EVEN IN TIER 6 CITIES (POPULATION LESS THAN 5000)
- ▶ PRIVATE SECTOR GI COMPANIES HAVE 2850 OFFICES AND 2% ARE IN RURAL AREAS; NO PRESENCE IN TIER 5 AND TIER 6 CITIES
- ▶ PUBLIC SECTOR UNDERWRITE 90% OF PMSBY POLICIES. THE PREMIUM CHARGED IS JUST RS.12 FOR 2 LAKHS AND PRIVATE SECTOR UNDERWRITE 10% OF THE POLICIES. CLAIM RATIO IS 350%. PUBLIC SECTOR DO IT KNOWING WELL IT IS A LOSS MAKING RATIO BECAUSE IT SERVES THE ORDINARY PEOPLE
- ▶ CROP INSURANCE WAS UNDERWRITTEN BY PRIVATE SECTOR IN LARGE SCALE IN THE FIRST TWO YEARS. SINCE THE CLAIMS RATIO IS VERY HIGH THEY STOPPED UNDERWRITING AND PUBLIC SECTOR INSURANCE COMPANIES ARE UNDERWRITING NOW.
- ▶ MANY STATE GOVERNMENTS HAVE BLACK LISTED PRIVATE INSURANCE COMPANIES FOR THEIR HEALTH INSURANCE BECAUSE OF THE FAILED PROMISES

STATE OF PUBLIC SECTOR GI

- ▶ PUBLIC SECTOR INSURANCE COMPANIES ARE GIVING HUGE PROVISIONING TO CLEAN THE BALANCE SHEETS TO MAKE IT ATTRACTIVE FOR SALE;.
- ▶ THIS IS THE REASON FOR LOSS IN PUBLIC SECTOR GI COMPANIES
- ▶ THE COMPANIES ARE DOING WELL IN SPITE OF UNDERWRITING ALL SOCIAL SECTOR LOSS MAKING BUSINESS
- ▶ THE PS GI COMPANIES HAVE ASSETS WORTH 2 LAKHS AND HAVE INVESTED THEIR AMOUNT IN CENTRAL GOVERNMENT AND STATE GOVERNMENT SECURITIES.
- ▶ THE COMPLAINTS RECEIVED BY OMBUDSMAN AGAINST PUBLIC SECTOR COMPANIES IS 18% WHEN COMPARED TO PRIVATE COMPANIES 82%

WAR IN THE PEOPLE'S COURT

- ▶ AIIEA HAS DECIDED TO WAGE THE WAR AGAINST THE POLICIES OF THE GOVERNMENT IN THE PEOPLE'S COURT
- ▶ PARLIAMENT WITNESSED HUGE PROTESTS ON THE DAY OF PASSAGE OF GIBNA BILL.
- ▶ THANKS TO THE OPPOSITION PARTIES
- ▶ THANKS TO YSRCP AND BJD WHICH ALSO SUPPORTED US
- ▶ PLANNING TO FORGE JOINT ACTIONS WITH ALL SECTION OF WORKERS AND PEASANTS
- ▶ VICTORY WIL BE OURS

Thank you