

- (ii) Competition for savings on account of attractive terms offered by Land Mortgage banks as well as competition from Small Savings organisations, and
- (iii) Investment by cultivators of their savings in improvement of land, in larger measure.

The rural business has picked up of late as the following figures would show :

Period	Number of policies	Sums assured (in crores of rupee*)
1.4.68 to 31.12.68	3,07,930	146.58
1.4.69 to 31.12.69	2,82,354	147.95
1.4.70 to 31.12.70	3,16,647	177.82

#### Profits and Premium rates of Life Insurance Corporation

1378. SHRI T. S. LAKSHMANAN : Will the Minister of FINANCE be pleased to state :

(a) the profits earned by the Life Insurance Corporation of India for the last three years ; and

(b) in view of the increase in business and profits, whether premium rates of the Corporation's policies have been reduced ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH) : (a) The profit of the life insurance business, technically known as surplus, is determined at biennial actuarial valuations. The last valuation was made as on 31.3.69 and the surplus for the two year inter-valuation period ended 31.3.69 amounted to Rs. 96.57 crores.

The net profits of the general insurance business of the LIC for the last 3 years are as under :—

1967-68	Rs. 14.45 lakhs
1968-69	Rs. 35.67 „
1969-70	Rs. 43.67 „

These profits, however, belong to Government and do not have a bearing on the life insurance premium rates.

(b) The LIC reduced premium rates under certain without-profit plans of assurances with effect from 1.2.70. These reductions were justified by actuarial considerations, but in

view of the uncertainty of the trend of future expenses, it decided to defer consideration of any revision of premium rates under 'with-profit plans' till such time as expenses have stabilised, particularly because equity to policyholders under the with-profit plans can be ensured through the mechanism of bonus distribution. In this connection it may be noted that out of surplus of Rs. 96.57 crores for the inter-valuation period ended 31.3.69, Rs 91.82 crores was allocated among the policyholders by way of reversionary bonus.

Recently, the LIC reviewed the premium rates under "One Year Renewable Group Term Assurance Plan" and "Level Premium Group Term Assurance Plan" and has decided to reduce the premium rates under these plans with effect from 1.6.71.

#### Timings of Indian Airlines Day Service to and from Madras

1380. SHRI MURASOLI MARAN : Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state :

(a) whether he is aware that the timings of Indian Airlines Day service to and from Madras are very inconvenient to the passengers ;

(b) if so, whether there is any proposal to alter the timings to make it more convenient ; and

(c) if not, the reasons therefor ?

#### THE MINISTER OF TOURISM AND CIVIL AVIATION (DR. KARAN SINGH)

(a) to (c). The runway at Madras is under repairs, as a result of which Jet operations are not permitted before 1300 hrs. The existing timings of operations to and from Madras have been fixed in the light of this restriction. The timings will be revised suitably when the restriction is removed.

#### Shortage of Hotels in Madras

1381. SHRI MURASOLI MARAN : Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state :

(a) whether he is aware that there is a great shortage of hotels in Madras to cater to the needs of foreign tourists ;