

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:7261

ANSWERED ON:12.05.2000

PERFORMANCE OF GIC AND LIC

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Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal for restructuring of General Insurance Corporation of India and the Life Insurance Corporation of India to meet the challenges posed by the entry of private operators in the insurance sector;

(b) if so, the details thereof?

(c) The special incentives, the government plans to provide to the LIC/GIC for ensuring a level-playing field in the insurance sector in the wake of privatisation; and

(d) The progress so far made by LIC and GIC in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALA SAHEB VIKHE PATIL)

a) & b) The Malhotra Committee on reforms in the insurance sector as a part of its recommendations to improve the functioning of the insurance sector had suggested restructuring of LIC/GIC. These are under examination.

c) & d) To face the competition, adequate autonomy has been granted to LIC and GIC. To revamp their functioning, these corporations have taken a number of steps which include upgradation of technology, delegation of powers for quicker servicing and claims settlement, adoption of Citizen's charters offering wide range of products etc.