

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:783

ANSWERED ON:25.07.2003

FINANCIAL RESTRUCTURING OF LIC

LAXMINARAYAN PANDEY;MOHAN RAWALE;V. SAROJA;VINAY KUMAR SORAKE

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government have asked for a report from Life Insurance Corporation of India on its financial position;
- (b) if so, the reasons therefor;
- (c) whether the Corporation is falling short of the capital norms and the solvency requirement;
- (d) if so, the details thereof; and
- (e) the steps taken by the Government for financial restructuring of the LIC?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a) No, Sir.

(b) Does not arise.

(c) to (e) According to the Insurance Regulatory and Development Authority (IRDA) (Assets, Liabilities and Solvency Margin of Insurers) Regulations, 2000 which have become applicable to LIC w.e.f. 1.4.2001, the IRDA has asked LIC to fulfill the Solvency Margin requirement. Since the Solvency Margin requirement has arisen for the first time, on the request of LIC, IRDA has provided 3 years transition period to fulfill the same. At present there is no proposal by the Government for financial restructuring of LIC.