

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1389
ANSWERED ON:08.03.2002
LIC'S SHARE IN RURAL MARKET
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Life Insurance Corporation is planning to grab the rural market with regard to its policy;
- (b) if so, the details thereof; and
- (c) the total percentage of business presently the LIC is doing from the rural areas of the country?

Answer

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

(a) and (b) The Life Insurance Corporation of India (LIC) has at present, a sizeable number of policies from rural areas. They have also taken a number of steps to increase its share of business from the rural market like strengthening of Branch Offices in the rural areas, posting of newly recruited Development Officers in the mofussil /rural areas and having a scheme of rural career agents. Recently LIC have introduced the concept of Bima Gram to help their field force to cover a larger proportion of rural population.

(c) Based on the criterion laid down in the Insurance Regulatory and Development Authority (Obligations of Insurers to Rural or Social Sectors) Regulations, 2000, during the year 2000-2001 LIC has procured 18.18% of new individual life insurance policies and 14.59% of the sum assured thereunder from rural areas.