

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:1781
ANSWERED ON:29.11.2002
WITHDRAWAL OF SCHEMES BY INSURANCE COMPANIES
AMBATI BRAHMANAIAH;PUTTASWAMY GOWDA

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) whether the Insurance companies propose to close down some of their schemes;
- (b) if so, the details of schemes which are proposed to be closed alongwith the details of such schemes which have been closed during the last one year, Company-wise;
- (c) the reasons therefor;
- (d) whether any options have been given to insurers by these companies;
- (e) if so, the details thereof; and
- (f) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL):

(a) to (f) A statement is enclosed on the basis of information received from Insurance Regulatory and Development Authority (IRDA), Life Insurance Corporation of India (LIC) and General Insurers` (Public Sector) Association of India (GIPSA).

Statement

The Insurance Regulatory and Development Authority (IRDA) informed that life insurance companies are not closing the existing schemes but they are bringing the new versions of such schemes sometimes with different names in tune with the prevailing marketing conditions.

The revised versions are specially in case of single premium policies where Guaranteed Additions are allowed to policyholders. The following Table indicates the company-wise position:

Name of the Insurer	Name of Single Premium policies having Guaranteed Additions	Revision in past
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LIC of India	Bima Nivesh,2002	
(i)	Bima Nivesh 2001 (June,2001)	
	(Latest, Sep. 2002)	
(ii)	New Bima Nivesh (Nov.2001)	

SBI Life Insurance Co.Ltd.	Sukh Jivan Prathan	Sukhjeevan (Sep.2001)
		(Latest revision Sep.2002)

ICICI-Pru Insurance Co. Ltd.	ICICI-Pru Assure Invest	Earlier revision in Aug,2002
		(Latest revision Oct. 2002)
		Aug, 2001 (First Launch)

ICICI-Pru Life ICICI-Pru Re-Assure Earlier revision in Aug.2002
InsuranceCo. Ltd. (Latest revision Aug.2002) Aug, 2001(First Launch)

Om Kotak Life Kotak Insurance Bond First Launch in Aug.2002
Insurance Co. Ltd. (Latest revision Nov.2002)

In addition to single premium policies having guaranteed additions, LIC of India brought the following new versions of Schemes in place of old policies.

New Version of Product Cleared on Earlier Version

New Jeevan Akshay-I 14.12.2001 Jeevan Akshay

New Jeevan Dhara 11.01.2002 Jeevan Dhara
/Jeevan Suraksha & Jeevan Suraksha

New Bima Kiran 01.02.2002 Bima Kiran

New Jeevan Shree 04.02.2002 Jeevan Shree

Komal Jeevan 07.11.2002 Children Deferred
Assurance Plan.

The LIC has informed that they review their portfolio of products regularly to ascertain their financial viability. Future withdrawal/revision in its products will depend on circumstances such as long term interest rates available in the market, expense experience, changing needs of the customers, etc. In the last one year the LIC has withdrawn 20 plans, namely Bima Nivesh, 2001; New Jeevan Dhara; New Jeevan Akshay; Jeevan Suraksha; JeevanSneha; Jeevan Shree; Bima Kiran; Bima Sandesh; Jeewan Sanchay-12 years, 15 years, 20 years and 25 years; Money Back Children Assurance; New Bima Nivesh; Deferred Annuity Certain/Immediate Annuity Certain; Jeevan Griha Double Cover; Jeewan Griha Triple Cover; Endowment Assurance Limited Payments and Endowment Assurance.

The General Insurers` (Public Sector) Association of India (GIPSA) has informed that the long term Janata Personal Accident Cover (JPAC) which was issued prior to 1999 insuring persons for a period of more than 5 years and with a sum insured of more than Rs. 1 lac per person were cancelled. This cancellation was done by the Oriental Insurance Co. Ltd. and New India Assurance Co. Ltd.

The reasons for withdrawal of some plans are reduction in investment, non-sustainability with existing premium, adverse claims ratio etc. However, the commitment under life insurance policies issued before withdrawal will be honoured by the insurance companies as per policy conditions. In case of JPAC pro-rata premium was refunded to the insured during 2000-2001 and 2001-2002.