

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:1472
ANSWERED ON:10.03.2008
INVESTMENT OF POST OFFICE INSURANCE FUNDS
Sai Shri Nand Kumar;Tripathy Shri Braja Kishore

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether the Government proposes to invest post office insurance funds in the stock market in the country;
- (b) if so, the details thereof;
- (c) the estimated funds of various schemes of post office likely to be spent on stock market; and
- (d) the steps likely to be taken by the Government to check proper utilization of such funds?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

(a) Sir, the Government proposes to freeze the existing Corpus of Post Office Insurance Fund and convert it into dated securities over a period of three years. The future accretion to the fund are proposed to be invested as per the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 and IRDA (Investment) (Amendment) Regulations, 2001, and further amendments thereto from time to time.

(b) The future accretion from the Post Office Insurance Funds are proposed to be invested as per the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 and IRDA (Investment) (Amendment) Regulations, 2001, and further amendments thereto from time to time.

(c) As mentioned in para (b) above.

(d) To check proper utilization of funds firstly, Government proposes that the funds will be given to the Fund Managers under `passive` or `non-discretionary` mode for investment as per IRDA (Investment) Regulations 2000.

Secondly, an Investment Board will be constituted headed by Member (I &FS) Postal Services Board and consisting of other members such as financial experts, Actuary and Joint Secretary of Ministry of Finance. The Board will be the apex body for the purpose of laying down the policy guidelines and investment strategy, which will set the framework for the day-to-day decision on investment.

Thirdly, there will be a Chief Investment Officer, who will be heading the Investment Division. He will execute the policy framework and structure of the investment decided by the Investment Board.