

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4688

ANSWERED ON:23.04.2010

UNIT LINKED INSURANCE POLICIES

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Will the Minister of FINANCE be pleased to state:

(a) whether there is a controversy between Insurance Regulatory Development Authority (IRDA) and Securities and Exchange Board of India (SEBI) in respect of selling unit linked insurance policies;

(b) if so, the details thereof;

(c) whether the matter has since been resolved by the Government; and

(d) if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (d): As per Insurance Regulatory & Development Authority (Registration of Insurance Companies) Regulations, 2000 the life insurance includes contracts of both unit linked insurance products (ULIPs) and non-linked insurance products. However, the Securities and Exchange Board of India (SEBI) is of the view that ULIPs have an investment component and are offered for sale to the general public for which SEBI has the mandate to regulate. Since the issue pertains to jurisdiction of the respective regulators for regulating linked life insurance products, the two regulators have agreed to make a joint application before an appropriate court for decision on the question of jurisdiction.