

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
UNSTARRED QUESTION NO. †55
ANSWERED ON 18.11.2019

FUNCTIONING OF LIC

†55. SHRI RAMESHBHAI LAVJIBHAI DHADUK:

Will the Minister of FINANCE be pleased to state:

- (a) whether the functioning of Life Insurance Corporation of India (LIC) is regularly assessed and if so, the details thereof;
- (b) whether the Government is regularly assessing the investment made by the LIC as our countrymen have utmost faith in it;
- (c) the details of the amount invested by LIC which has not yielded any profit; and
- (d) the corrective steps taken by LIC to make such investments fruitful/ profitable?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI ANURAG SINGH THAKUR)

(a): Insurance Regulatory and Development Authority of India (IRDAI) reviews the performance of all the insurance companies through off-site/on-site monitoring mechanism and by seeking periodical returns. The performance of LIC is also assessed against the parameters as agreed by LIC while furnishing the Statement of Intent (SOI) every year to the Government. Periodic Review of LIC is also undertaken at the Ministry level. Further, Annual Report of the activities of the Corporation is laid before both the Houses of Parliament.

(b): Investments of the Corporation are governed by the provisions of Insurance Act, 1938, Life Insurance Act, 1956 and IRDAI (Investment) Regulations, 2016. As per LIC, investment decisions are being taken as per advice of Investment Committee constituted by the Board of LIC under section 19(2) of Life Insurance Corporation Act, 1956 and the Investment Committee is guided by the extant legal provisions and board approved investment policy.

(c) and (d): LIC has realised a profit of Rs.19,302.87 crore, Rs.25,464.59 crore and Rs.23,657.00 crore on its equity portfolio in the years 2016-17, 2017-18 and 2018-19 respectively besides earning dividend income of Rs.9419 crore, Rs.10,565 crore and Rs.11,163 crore during the financial years 2016-17, 2017-18 and 2018-19 respectively.

The investments of LIC are as per their duly approved investment policy, standard operating procedure and systems. Operating Procedures & internal norms are reviewed by LIC as per the need & revisions and changes are incorporated after seeking approval from their investment committee.
