

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1967
ANSWERED ON:09.03.2001
NEW SCHEMES LAUNCHED BY LIC
AMBATI BRAHMANAIAH

Will the Minister of FINANCE be pleased to state:

- (a): whether LIC has launched three new schemes recently to keep up its activity in the insurance sector;
- (b): if so, the details thereof;
- (c): whether LIC is fast losing its old clients due to bad service; and
- (d): if so, the action plan prepared by LIC to face competition?

Answer

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

(a) & (b): The Life Insurance Corporation of India(LIC) have intimated that they have recently launched only one Plan which is a Unit Linked Insurance Plan titled `Bima Plus` Plan.LIC`s Bima Plus provides life insurance cover, along with prospect of high growth. Under this Scheme, a portion of the premium is invested in equity and debt instruments in the capital market where scope for high growth exists. The premium under this plan is payable in yearly or half yearly instalments for a term of 10 years. The premium paid under the plan qualifies for rebate under Section 88 of the Income Tax Act, 1961. The Plan provides, by way of benefit payment of the Bid value of the Fund units along with maturity bonus at 5% of Sum Assured on maturity and a specified percentage of the sum assured along with bid value of fund units and other benefits on death depending upon the duration of policy subject to deduction wherever applicable. The scheme also provides for payment on death due to accident.

(c) & (d): LIC has intimated that they are not losing their old clients due to bad service. LIC has registered an impressive growth in New Business during the last few years. Servicing has been upgraded by progressively computerising various front office operations. In addition to networking of its branches in 38 centres LIC has substantially liberalised its claim settlement procedures. This includes delegating more financial powers to operating offices for expeditious disposal of claims and strengthening of Claims Review Committees.