

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:734
ANSWERED ON:05.12.2003
FINANCIAL RESULTS OF LIC
VILAS BABURAO MUTTEMWAR

Will the Minister of FINANCE be pleased to state:

- (a) whether the Life Insurance Corporation of India have declared the financial results for the year 2002-2003;
- (b) if so, the surplus recorded by the LIC and the bonus declared for the policy holders and the dividend released to the Government;
- (c) whether the bonus declared by the LIC for its policy holders is slightly less than the one declared during the previous year; and
- (d) if so, the reasons therefor, particularly when the financial results have shown better position than the previous year?

Answer

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

(a) Yes, Sir.

(b) The total Surplus declared by the Life Insurance Corporation of India (LIC) for the year 2002-2003 is Rs. 9,767.11 crores. Out of this Rs. 9,273.81 crores has been distributed to the policyholders as bonus and Rs. 488.10 crores is the surplus share to the Government of India. Rs. 5.20 crores has been carried forward as Surplus unappropriated.

(c) Yes, Sir.

(d) Even though the total surplus income has increased, there has been reduction in the yield on life fund due to decline in interest rates. Therefore, the bonus rates for 2002-2003 was reduced by the LIC as it had to be distributed to more number of policyholders than the previous year.