

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2960
ANSWERED ON:10.08.2001
BONUS TO LIC POLICY HOLDERS
TUFANI SAROJ

Will the Minister of FINANCE be pleased to state:

- (a) whether Life Insurance Corporation of India has refused to increase the bonus of its policy holders;
- (b) if so, the reason therefor;
- (c) whether the expert Committee constituted by the Life Insurance Corporation of India had made any recommendation to set up LIC Banks;
- (d) if so, whether the Life Insurance Corporation of India has not accepted the said recommendations; and
- (e) if so, the reasons therefor?

Answer

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

- (a) and (b) The Life insurance Corporation of India (LIC) has intimated that they have decided to maintain the bonus rate for the year ended 31st March, 2001 at the same levels as in the previous year except for short term policies of 10 years or less. This decision was taken on the basis of actuarial valuation of the business as at March 31st, 2001.
- (c) to (e) LIC has intimated that M/s Booz Allen & Hamilton, Consultants appointed by them have not recommended to start a new bank on its own. Accepting their recommendation to form strategic alliances LIC is considering strategic alliance with Corporation Bank, a public sector bank.