

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1807
ANSWERED ON:10.12.2004
LIC PACKAGE
Madhwaraj Smt. Manorama

Will the Minister of FINANCE be pleased to state:

- (a) whether the LIC is under severe pressure to comply with the solvency margin standards mandated by the Insurance regulatory authority IRDA;
- (b) whether the LIC has sought a bail-out package from the Centre including waiver of its distributable surplus payable to the Government every year; and
- (c) if so, the details thereof and the reaction of the Government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANTCKAM)

(a): The Life Insurance Corporation of India (LIC) has to comply with the Solvency Margin Requirements prescribed under the Insurance Regulatory and Development Authority

(IRDA) Regulations. LIC was given a time frame by IRDA to comply with it in a phased manner. As on 31.03.2004 LIC has provided 110.7% Solvency Margin.

(b): No, Sir.

(c): Does not arise.