

made to the Commission on 2nd June, 2014 to make recommendations for the successor States on reorganisation of the State of Andhra Pradesh in accordance with the Andhra Pradesh Reorganisation Act, 2014.

(c) and (d) State Governments of Andhra Pradesh and Telangana had sought financial assistance from the Finance Commission through their respective Memorandum.

(e) Finance Commission had already presented its Report on 15th December, 2014 to the President. Government is examining its recommendations.

Drop in sale of LIC policies

†3387. SHRIMATI KANAK LATA SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that sale of insurance policies of LIC has decreased during the last two years;

(b) the details of policies sold by the LIC during the last five years, year-wise;

(c) whether one of the reasons for the low sale of policies is availability of limited options offered by LIC insurance products; and

(d) the reasons for offering a limited range of insurance products by LIC?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) Life Insurance Corporation of India (LIC) has informed that during the financial year 2012-13 the Corporation sold 3,67,81,642 policies, thereby registering a growth of 2.88 % over 2011-12. However, during the financial year 2013-14, the Corporation sold 3,45,11,781 policies, registering a de-growth of 6.19% over 2012,-13.

(b) Year-wise details of policies sold by LIC during the last five years are given in the Statement (*See below*).

(c) and (d) Insurance Regulatory and Development Authority (IRDA) has informed that *vide* Govt. Gazette notification on 16th February, 2013 the Authority had issued new Product Regulations namely IRDA (Linked Insurance Products) Regulations, 2013 and IRDA (Non-Linked Insurance Products) Regulation, 2013 which have introduced among others, many stipulations for the protection and benefit of life insurance customers such as mandatory risk cover and introduction of overall caps on various charges and ensuring certain minimum benefits flow to the customers from the overall yield earned

†Original notice of the question was received in Hindi.

by the Insurers and improving market conduct and disclosure norms for life insurance companies. These IRDA regulations are applicable to all life insurers.

LIC has informed that prior to implementation of the new Product Regulations which came into effect from 01.01.2014; LIC had 62 products under Individual Life Business and Group Business category, available for sale. In light of the new Product Regulations all existing products not complying with these regulations had to be withdrawn. Accordingly the Corporation withdrew 52 products and presently LIC has 23 products which are as per new Product Regulations approved by the Regulator.

The IRDA regulations are applicable to all life insurers. It is pertinent that in 2013-14 life insurance industry as a whole had registered de-growth of 7.52% and LIC's de-growth was 6.19 % over 2012-13. Thus LIC share in the life business actually increased. Further the insurance business is affected by a wide variety of factors. The degree of causality, if any, that can be attributed to the availability of insurance products with LIC on the de-growth is not known.

Statement

Year-wise details of policies sold by the LIC

Year	1. Individual Business No. of policies sold	2. Group Business	
		Schemes (Policies)	Lives Covered
2013-14	3,45,11,781	26,059	3,52,07,424
2012-13	3,67,81,642	20,866	3,04,61,098
2011-12	3,57,50,763	20,553	2,84,11,753
2010-11	3,70,37,786	20,063	2,23,84,735
2009-10	3,88,62,662	18,573	2,37,57,262

Policy of opening banks by private sector

†3388. SHRI NARESH AGRAWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government has any policy regarding setting up of banks by private sector;

(b) if so, the details thereof;

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