

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES  
**RAJYA SABHA**

**UN-STARRED QUESTION NO- 1670**

TO BE ANSWERED ON TUESDAY, AUGUST 6, 2024 / 15 SHRAVANA, 1946 (SAKA)

**Monitoring of working of LIC**

1670. DR. AJEET MADHAVRAO GOPCHADE:

Will the Minister of FINANCE be pleased to state:

- (a) the measures implemented by Government to ensure rigorous monitoring of the performance of Actuarial Personnel/ Investment Managers at LIC;
- (b) the measures LIC has implemented to conduct workload audits for each employee/position within the company;
- (c) the manner in which LIC has reduced the cost-per-policy while also striving to increase bonuses for policyholders;
- (d) whether Government continues monitoring working of LIC; and
- (e) whether every policy from LIC is backed by Government's sovereign guarantee?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

- (a) Life Insurance Corporation of India (LIC) has informed that the employees inducted in Actuarial Core Group are subject to annual review by a standing committee approved by Chairperson, which reviews the performance and their contribution. For monitoring the performance of investment managers at LIC there is a system of performance evaluation. Their goals are set at the beginning of the financial year and the same are reviewed half yearly and annually, based on key performance indicators and respective benchmarks.
- (b) No workload audit has been conducted by LIC. However, workload of each employee / position in the company is assessed through Key Performance Indicators (KPIs) set at the start of financial year and reviewed twice in a year.
- (c) LIC has informed that there is no reduction in average cost per policy and the bonus rates have been maintained for all plans in the last three financial years.
- (d) LIC is governed under the provisions of Life Insurance Corporation Act, 1956, Insurance Act, 1938, IRDAI (Insurance Regulatory and Development Authority of India) Act, 1999 and the rules and regulations made thereunder. LIC being a listed entity, the provisions of Securities Contracts (Regulation) Act, 1956 are also applicable to it. Further, LIC is a Board governed commercial entity and has a robust performance appraisal system. Performance of LIC is also reviewed at regular intervals by the Government.
- (e) Yes, as per provisions mentioned in the section 37 of LIC Act 1956.

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