

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

UN-STARRED QUESTION NO- 1986

TO BE ANSWERED ON TUESDAY, MARCH 18, 2025 / 27 PHALGUNA, 1946 (SAKA)

Workload of LIC Employees

1986. DR. AJEET MADHAVRAO GOPCHADE:

Will the Minister of FINANCE be pleased to state:

- (a) the reasons for not assessing the workload of individual employees and branches within LIC;
- (b) the measures implemented to enhance the vigilance system in LIC and ensure ongoing monitoring to prevent any manipulation;
- (c) whether it is stated in LIC's policy documents that every policy issued by LIC is backed by the Government's sovereign guarantee as per section 37 of the LIC Act 1956;
- (d) the actions LIC has undertaken to minimize unproductive expenses and whether there is ongoing supervision of expenses at the top management level; and
- (e) the action LIC has taken to enhance bonuses for all its policyholders?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

- (a) LIC is a Board governed commercial entity operating in a competitive and regulated environment and has a robust performance appraisal system for all employees. Further performances of individual employee are assessed by LIC through Key Performance Indicators (KPIs) set at the start of financial year and reviewed twice in a year. Performance of LIC is reviewed at regular intervals by the Government.
- (b) LIC adheres to CVC guidelines to ensure continuous monitoring to avert any possible manipulation. LIC *inter-alia* conducts surprise checks, Audits, Inspections, scrutiny of returns on immovable / movable assets, review of procurement of materials and service contracts etc. Committees like preventive vigilance committee and fraud monitoring committee are already in place.
- (c) 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's policy document is a contract between Insurer and Policyholder for the entire duration / term of the policy. However, the sum assured by all policies including any bonuses declared in respect thereof is supported by the Government's sovereign guarantee as indicated in section 37 of LIC Act.
- (d) Budget Review is being done regularly and Expenses of Management (EOM) are being monitored as per the IRDAI EOM Regulations. Further LIC has taken measures *viz.* installing of solar panels, LEDs, sensor operative switches and conducting most of the meetings and trainings through video conferencing for reducing expenses.
- (e) The bonus payable to policyholders depends on the surplus generated as result of an annual actuarial investigation in accordance with relevant rules and regulations. LIC strives to generate optimal returns by ensuring investment in high quality assets while ensuring a risk reward balance, which is also reviewed by the Investment Committee of LIC.
