

Government of India
Ministry of Finance
Department of Financial Services
Lok Sabha
Unstarred Question No. †3386

Friday, August 4, 2017/Shravana 13, 1939 (Saka)

Surrendering of LIC Policies

†3386. SHRI TARIQ ANWAR:

Will the Minister of FINANCE
be pleased to state:

- (a) whether the Government has taken concrete steps to change the maximum time limit for surrendering the LIC policies of the policy holders from three years to one year and if so, the details thereof; and
- (b) whether this rule is likely to benefit lakhs of policy holders in coming days and if so, the details thereof?

Answer

Minister of State in the Ministry of Finance
(Shri Santosh Kumar Gangwar)

(a) and (b): Regulation 35 of the Insurance Regulatory and Development Authority (Non-linked Insurance Products) Regulations, 2013, provides that if all premiums have been paid for at least two consecutive years in respect of policies with a premium tenure of less than 10 years, then these policies shall acquire a guaranteed surrender value.

Further, Insurance Regulatory and Development Authority of India (Micro Insurance) Regulations, 2015 specify that where premiums are received for one full policy year, all non-linked non variable micro insurance policies shall have a paid-up value and hence, acquire guaranteed surrender value.

These Regulations benefit large number of policyholders as they have been framed keeping in view the interests of the policyholders.