GOVERNMENT OF INDIA

MINISTRY OF FINANCE

DEPARTMENT OF FINANCIAL SERVICES

**RAJYA SABHA**

**UNSTARRED QUESTION NO-1341**

ANSWER ON 03.03.2020

**Status of financial position of LIC**

1341. SHRI V. VIJAYASAI REDDY:

Will the Minister of FINANCE be pleased to state:

1. Whether it has come to the notice of Government the recent posting in social media about the financial health of LIC;
2. If so, Government’s reaction thereto;
3. The market share of LIC in total life insurance policies of the country for the last five years, year-wise including the current year; and
4. The percentage of first three premium collected by LIC and other insurance companies for the last three years and the current year, year-wise and company-wise?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI ANURAG SINGH THAKUR)

(a) and (b): Yes Sir. Government is aware of social media posts that have been appearing on a periodic basis about financial health of Life Insurance Corporation of India (LIC). The financial health of LIC is robust with LIC maintaining a solvency margin of 1.60 (as on 31.03.2019) as against 1.50 prescribed by Insurance Regulatory and Development Authority of India (IRDAI). LIC continues to enjoy the highest market share both in terms of number of policies (77.61% as on 31.01.2020) and first year premium received (70.02% as on 31.01.2020). LIC has consistently paid dividend to Government of India with Rs.2,610.74 crore received as dividend in the financial year 2018-19.

(c): The market share of LIC in number of policies as submitted by IRDAI is as follows: -

|  |  |
| --- | --- |
| **Period** | **Market share in % (in terms of number of Policies)** |
| As at 31.03.2016 | 76.84 |
| As at 31.03.2017 | 76.09 |
| As at 31.03.2018 | 75.67 |
| As at 31.03.2019 | 74.71 |
| As at 31.01.2020 | 77.61 |

(d): The market share in percentage of first year premium (FYP) of LIC and other life insurance companies as made available by IRDAI is placed at Annexure.

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ANNEXURE REFERRED TO IN PART (d) OF RAJYA SABHA UNSTARRED QUESTION NO. 1341 FOR ANSWER ON MARCH 3, 2020.

**Market Share of life insurance companies on the first year premium**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **S.No.** | **Insurer** | **as at 31.03.2017**  **(in %)** | **as at 31.03.2018**  **(in %)** | **as at 31.03.2019**  **(in %)** | **as at 31.01.2020**  **(in %)** |
| 1 | Aditya Birla Sun Life | *1.45* | *1.37* | *1.82* | *1.29* |
| 2 | Aegon Life | *0.05* | *0.08* | *0.05* | *0.03* |
| 3 | Aviva Life | *0.14* | *0.17* | *0.13* | *0.09* |
| 4 | Bajaj Allianz Life | *1.88* | *2.21* | *2.29* | *1.92* |
| 5 | Bharti Axa Life | *0.35* | *0.38* | *0.42* | *0.32* |
| 6 | Canara HSBC Life | *0.56* | *0.63* | *0.68* | *0.59* |
| 7 | Edelweiss Tokio Life | *0.13* | *0.18* | *0.21* | *0.14* |
| 8 | Exide Life | *0.49* | *0.39* | *0.37* | *0.32* |
| 9 | Future Generali Life | *0.23* | *0.30* | *0.33* | *0.30* |
| 10 | HDFC Life | *4.97* | *5.85* | *6.97* | *6.40* |
| 11 | ICICI Prudential Life | *4.49* | *4.70* | *4.78* | *4.29* |
| 12 | IDBI Federal Life | *0.45* | *0.43* | *0.38* | *0.21* |
| 13 | India First Life | *0.95* | *0.74* | *0.93* | *0.68* |
| 14 | Kotak Mahindra Life | *1.63* | *1.76* | *1.85* | *1.81* |
| **15** | **LIC of India** | ***71.07*** | ***69.40*** | ***66.24*** | ***70.02*** |
| 16 | Max Life | *2.10* | *2.24* | *2.40* | *1.98* |
| 17 | PNB Met Life | *0.66* | *0.74* | *0.78* | *0.66* |
| 18 | Pramerica Life | *0.50* | *0.75* | *0.57* | *0.21* |
| 19 | Reliance Nippon Life | *0.60* | *0.47* | *0.50* | *0.37* |
| 20 | Sahara Life | *0.03* | *0.00* | *0.00* | *0.00* |
| 21 | SBI Life | *5.80* | *5.66* | *6.42* | *6.69* |
| 22 | Shriram Life | *0.42* | *0.42* | *0.38* | *0.26* |
| 23 | SUD Life | *0.40* | *0.36* | *0.32* | *0.28* |
| 24 | Tata AIA Life | *0.65* | *0.77* | *1.15* | *1.16* |