

PROFILE

2014



उमंग: ग्राहक और गुणवत्ता
PASSION FOR CUSTOMER AND QUALITY

On 1st of September 1956, The Life Insurance Corporation of India (LIC) embarked upon its journey of serving the people and the nation. Since then it has spearheaded the financial and infrastructure development of the nation. The performance of LIC has been growing from strength to strength be it customer base, claims performance or use of latest technology. We have played a significant role in spreading life insurance among the masses and mobilization of people's money for people's welfare. Even after the entry of private insurers for over a decade now, LIC continues to be the frontrunner in the industry in terms of market share.

Our Organisational structure and Human resources as on 31.03.2014

Zonal Offices	8
Divisional Offices	113
Branch Offices	2,048
Satellite Offices	1,346
Mini Offices	1,242
Employees	1,20,388
Agents	11,95,916

NEW BUSINESS DURING THE YEAR 2013-14

	Policies (in lakh)	First Year Premium Income (₹. in crore)
COMPOSITE	345.12	90,123.75
MARKET SHARE (%)	84.44	75.33

Achievement from 01.04.2013 to 31.03.2014 of various Distribution Channels

	Policies (in lac)	First Premium Income (₹. in crore)	Percentage share to Total New Business (Policies)	Percentage Share to Total New Business(FPI)
Conventional channel	282.53	27,286.63	81.94	85.35
CLIA	31.78	2,882.73	9.22	9.02
Direct Mktg	1.21	467.63	0.35	1.46
B& AC	4.87	1,207.93	1.41	3.78
Micro insurance	22.06	68.45	6.40	0.21
Health Insurance	2.35	55.55	0.68	0.18
Total	344.80	31,968.92	100	100

PENSION & GROUP BUSINESS & SOCIAL SECURITY SCHEMES

Achievement from 01.04.2013 To 31.03.2014

	P&GS Conventional	Social Security Schemes
No of Lives (in lac)	352.07	118.87
Premium Income (in crore)	48,741.15	125.81

BUSINESS IN FORCE AS ON 31.3. 2014

	Policies (in crore)	Sum Assured (₹ in crore)
Individual Assurances	29.61	34,36,418.00
Group Insurance(lives)	11.54	6,28,260.73

CLAIM SETTLEMENT PERFORMANCE 2013-14:

Total Number of Claims settled	259.00 lac
Total amount of Claims paid (including Micro insurance and P&GS)	91,186.45 crore
Percentage of Maturity claims settled	99.68
Percentage of Death claims settled	99.30

Payments made through NEFT:

- Total number of NEFT masters created 6.65 Crore.
- % of policy payments through NEFT as compared to total payments for the year 2013-14 is 71.88%.

OTHER PERFORMANCE PARAMETERS 1/04/2013 TO 31/03/2014 (₹. IN CRORE)

Total Income	3,80,042.44
Total Premium Income	2,36,798.07
Total Policy Payments	1,59,519.23
Total Life Fund as on 31.03.2014	16,07,024.98
Total Assets as on 31.03.2014	17,69,191.60

OUR INVESTMENTS

The Life Insurance Corporation of India has been a nation builder since its formation in 1956. The total funds invested for the benefit of the community at large are ₹ 16,84,690 crore as on 31st March 2014.

INVESTMENT IN GOVT. & SOCIAL SECTOR (₹ In Crore)

Type of Investment	As on		
	31.03.12	31.03.13	31.03.14
01 Central Government Securities	4,41,760	4,70,254	5,43,636
02 State Government & Other Govt. Guaranteed Marketable Securities	2,13,913	2,61,852	3,27,861
Sub-Total (A)	6,55,673	7,32,106	8,71,497
03 Housing & Infrastructure Investment			
(a) Housing	41,067	46,276	45,317
(b) Power	86,880	93,317	1,04,450
(c) Irrigation/ Water Supply & Sewerage	3,774	3,388	3,051
(d) Road, Port & Bridges, Railways	10,494	11,208	10,187
(e) Others (Incl. Telecom.)	21,947	35,076	35,267
Sub- Total (B)	16,4162	1,89,265	1,98,272
Total A+B	8,19,835	9,21,371	10,69,769

LIC's Investments during Five Year Plan Periods.

Plan	Year	Gross Investments (₹. in cr)
II	1956 - 1961	184
III	1961 - 1966	285
IV	1969 - 1974	1,530
V	1974 - 1979	2,942
VI	1980 - 1985	7,140
VII	1985 - 1990	12,969
VIII	1992 - 1997	56,097
IX	1997 - 2002	1,70,929
X	2002 - 2007	3,94,779
XI	2007 - 2012	7,04,151
XII	2012 - 2017	4,51,460

AWARDS WON


During the year 2013-14, LIC has won 31 awards, notable ones being Readers Digest Trusted Brand, Skoch Renaissance Award, Outlook Money Award, Annual Greentech CSR Awards, MACCIA-IBN-Lokmat Award, Asian Sustainability Leadership Award.

LIC also ranked among “Top-10 Most Trusted Service Brands in India” and was voted as No.1 Most Trusted Insurance Brand in the ET Brand Equity-Nielsen Survey-2013

OUR PRODUCTS

With the implementation of New Product Regulations, 49 out of the 52 of our existing products were withdrawn, 2 products were modified and Immediate annuity plan Jeevan Akshay was continued without any modification. During the year, we have launched nine new products compliant with the new regulations. At the end of the financial year 2013-14, we have 12 different products for individuals catering to the different needs of all customer segments. These are basic insurance plans (endowment and money back), term assurance plans, micro insurance plan, health plan, pension plan etc.

The Plans that are available as on date are-

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1. LIC's Single Premium Endowment Plan (T. No. 817)
 2. LIC's New Endowment Plan (T. No. 814)
 3. LIC's New Money Back Plan-20 years (T. No. 820)
 4. LIC's New Money Back Plan-25 years (T. No. 821)
 5. LIC's New Bima Bachat (T. No. 816)
 6. LIC's New Jeevan Anand (T. No. 815)
 7. LIC's New Jeevan Mangal (T. No. 819)
 8. LIC's Anmol Jeevan II (T. No. 822)
 9. LIC's Amulya Jeevan II (T. No. 823)
 10. LIC's Jeevan Arogya (T. No. 904) (Modified)
 11. LIC's New Jeevan Nidhi (T. No. 818) (Modified)
 12. New Jeevan Akshay VI (T.No. 189) (Existing)

For details of plans kindly login to www.licindia.in or our intranet site CO/Marketing Site

MARKETING - BANCASSURANCE & ALTERNATE CHANNELS

We have tie-ups with 9 PSU Banks, 4 Private Banks, 1 Foreign Bank and 43 UCBs / RRBs / Co-op. Banks under Corporate Agency agreement. These Banks procure New Business for LIC through their Branch Outlets. At present, we have about 27000 Outlets under these Banks and our efforts are to make each one of them contribute their best.

Performance during 2013-14 - Constituent Wise

Entity	NOP	% Share NOP	TFPI (₹. In Cr.)	% Share TFPI
Banks	4,27,144	87.79	1157.26	95.81
Corporate Agents	57,605	11.84	43.82	3.63
Brokers	1,822	0.37	6.85	0.57
Total	4,86,571	100	1207.93	100

Absolute volume

Bank	FPI (₹.in Cr)	Rank (in FP)
Central Bank Of India	175	First
Indian Overseas Bank	163	Second
Corporation Bank	151	Third

Bank	NOP	Rank (In NOP)
Central Bank of India	1,07,994	First
Allahabad Bank	76,370	Second

CHIEF LIFE INSURANCE ADVISOR CHANNEL

The Share of CLIA Channel to total New Business of the Corporation has steadily grown from 3.06% to 9.22% in NOP and 3.12% to 9.02% in FPI since 2008 (the year of inception). Out of 2048 branches, in 687 branches (1/3rd) the contribution through the CLIA channel is more than 10%.

As on 31.3.2014 the Mktg/CLIA channel has 32828 CLIAs with 24915 as active CLIAs. Supervised agents on roll are 141653. The Channel had a net addition of 14393 Supervised Agents.

DIRECT MARKETING

Within a span of 5 years of operations, Direct Marketing has successfully become a supportive channel of LIC by creating new systems for business generation, sales process monitoring and business processes with a view to reach out to untapped markets with the use of technology. Direct Marketing Channel which started with 138 DSEs and 6 Units in August, 2009, has created a strong professional field force of 4375 DSEs and 124 Units as on 31-03-2014 Pan-India for providing best possible financial advisory services to the Customers.

PENSION AND GROUP SCHEMES

The existing plans of Pension & Group Schemes are

1. LIC's New Group Superannuation Cash Accumulation Plan (UIN: 512N274V01)
2. LIC's New Group Gratuity Cash Accumulation Plan (UIN: 512N281V01)
3. LIC's New Group Leave Encashment Plan (UIN: 512N282V01)
4. LIC's New One Year Renewable Group Term Assurance Plan-I (UIN:512N275V01)
5. LIC's New One Year Renewable Group Term Assurance Plan -II (UIN:512N276V01)

For details of plans kindly login to www.licindia.in or our Intranet site CO/P&GS page

Our Social Responsibility - Pension & Group Schemes:

LIC offers life insurance protection under group policies to various groups such as Employer - employee, co-operatives, weaker sections of society etc. and insurance coverage to people below poverty line at subsidized rates under social security group scheme like 'Aam Admi Bima Yojana' (Ministry of Finance, Government of India merged two erstwhile Social Security Schemes viz., Aam Admi Bima Yojana (AABY) and Janashree Bima Yojana(JBY). The merged scheme is renamed "*Aam Admi Bima Yojana*" and has come into effect from 01.01.2013.)

This scheme provides life insurance protection to the rural and urban poor persons living below poverty line and marginally above poverty line. Persons, normally the head of the family or one earning member of the family, between age 18 and 59 years who follow any of the specified vocations / occupations can be covered under the scheme. As on 31.03.2013, 48 vocations / occupations have been identified for coverage under Aam Admi Bima Yojana.

The benefits under the scheme include natural death cover of ₹. 30,000/-, accidental death cover / permanent disability benefit (due to accident) of ₹. 75,000/- and partial permanent disability (due to accident) of ₹. 37,500/- for premium of ₹. 200/- per annum per member where ₹.100/- is borne by the Social Security Fund managed by LIC. No additional premium is charged for accident benefit.

Scholarship Yojana

A free add-on scholarship benefit is available for the children of the members who are covered under Aam Admi Bima Yojana. Scholarship of ₹. 600/- per half-year (payable on 1st January and 1st July every year) is given to students studying in Classes IX to XII (including ITI courses). Scholarship is restricted to two children per family.

MICRO INSURANCE

LIC's New Jeevan Mangal (T.No.819) was launched on 09.01.2014. New Jeevan Mangal is a micro Insurance, term assurance plan with return of premiums on maturity and having an in built accident benefit cover.

Premium collection under Micro Insurance policies by Empowered Agents was launched on 30.09.2013. At present there are more than 370 Micro Insurance agents (institutional and Individual) who are authorized to collect Micro Insurance renewal premiums across the country.

Micro Insurance Business vertical has completed 22.05 lac policies during 2013-14. North Zone was the topper in achievement to budget with 89.26% A2B followed by Western Zone (80.25%) and South Central Zone (72.74%). Western Zone registered 53.28% growth in FP. South Central Zone contributed to a whopping 79.20% of total FP under MI vertical. 23 Divisions were successful in achieving the NOP budget.

HEALTH INSURANCE:

During the year 2013-14, LIC has sold 2,35,049 Health Insurance Policies covering 3,29,927 lives garnering a First Premium Income of ₹.55.55 crores . In all, 88,983 Agents have sold Health Insurance during the year.

Conforming to the New Health Insurance Guidelines issued by IRDA, modified '**Jeevan Arogya**' (**Table No.904**), a non-linked Fixed Benefit Health Insurance Plan was launched on 16/11/2013. This plan is offered to Individuals and fixed Benefit is paid irrespective of actual expenses, subject to Policy Conditions. (Health Protection Plus Table No.902 & Jeevan Arogya Table No.903 were withdrawn).

During the year all the 18,724 Claims lodged were decided on and **outstanding claims were 'NIL' as at 31/03/2014**. An amount of ₹. 22.20 Crores was paid towards settlement of Health Insurance Claims during the year 2013-14.

CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

Customer Centric Initiatives

Alternate Channels of Premium Payment:

Premiums can be paid through various Alternate Channels for in force policies which are not under Salary Savings Scheme (SSS). For the year 2013-14 almost 42% transactions of total renewal premium and 37 % premium amount of the total renewal premium received was collected through Alternate Channels.

The various alternate channels for collection of premium are as under:

A. Offline payment channels where premium receipt is sent by post:

1. **Electronic Clearance System (ECS):** This facility is presently available at all 89 RBI enabled locations for ECS. Several states are enabled for ECS completely through **Regional ECS** (RECS). These states are Tamil Nadu, Andhra Pradesh, Karnataka, Kerala, Rajasthan, Punjab, Himachal Pradesh, Haryana, Odisha, W.Bengal, all North East States, Gujarat & UT-Chandigarh & Andaman Nicobar. Through ECS premium can be collected for ULIP and Health Insurance (HI) policies also.
2. **Direct Debit:** At present Direct Debit is enabled through ICICI Bank and Corporation bank. Through this facility all the account holders of ICICI & Corporation Bank pan India can pay premium through standing instruction to the bank. Premium collection through Debit authorization is extended to investors of LIC Nomura Mutual Funds also where premium can be paid through their LICNMF systematic withdrawal funds.

3. **Electronic Bill Presentation and Payment (EBPP):** Premium can be paid through various Banks like Citi Bank, HDFC, ICICI, Federal Bank, Corporation Bank, Axis Bank, LIC Credit Cards and through Service Providers Bill Desk and Tech Process which cover almost all other banks throughout the country. Premium can be paid through Credit Card also availing this facility.
4. **ATM:** Banks can collect premium through ATMs also. At present Axis Bank, Corporation Bank and ICICI Bank have enabled this facility.

Through EBPP & ATM, Premium can be collected only for in force policies which are NOT with Monthly /Salary Savings Scheme (SSS) mode or under ULIP or Health Insurance plan.

B. Online Payment channels, Valid Receipt issued instantly:

5. **Customers' Portal Payment Gateway:** Online premium payment on LIC Website, www.licindia.in with the help of Net Banking Facility of 50+ major Banks and VISA/Master Credit and Debit domestic Cards, American Express Credit Cards and IMPS. For premium payment through cards a small flat fee is levied as interchange fee. Premium can be paid for ULIP policies (excluding Health Insurance plan) also.
6. **Premium Collection through Banks:**
 - **Axis Bank:** Premium can be paid at any of the Branch or Extension Counter of Axis Bank and in cash or cheques drawn on Axis Bank
 - **Corporation Bank:** Premium can be paid at any of the Branch or Extension Counter of Corporation Bank in cash or cheques drawn on Corporation Bank.

Premium collection for Ulip Policies is not yet enabled through the cash counters of the Banks.

7. Premium collection through Franchisees:

- Premium can be collected only in CASH.
- Receipts are issued by the collection center.
- No service charges are required to be paid to the collection center to avail this facility.
- Following are the approved Franchisees :
 - a. **APOnline :** All APOne outlets in Andhra Pradesh.
 - b. **MPOnline :** All MPOne outlets in Madhya Pradesh.
 - c. **Suvidhaa Infoserve Pvt.Ltd.:** All collection center pan India.
 - d. **CSC e-Governance Service India Ltd.:** All Common Customer Centers (CSC) Pan India.

Premium collection for Ulip Policies is not yet enabled through the collection centers of Franchisees.

8. **Premium collection through Senior Business Associate:** Selected Development officers are authorized to collect the premium on line and issue receipt instantly. Premium can be collected for conventional and ULIP (other than Health Insurance) policies. At present more than 2100 SBAs are enabled to collect premium. Their collection centers are referred as "Life Plus".

9. **Premium collection through Empowered Agents:** Keeping in tune with the increasing customer expectation for more conveniences in servicing, the Corporation has empowered selected Agents to collect the renewal premium through their collection centers called as "Premium Point". At present, there are more than 30,000 authorised Agents across the country, who can collect the premium (including ULIP but excluding HI Policies) in CASH or CHEQUE and issue a valid receipt instantly.
10. **Premium collection through Retired Employees:** Selected retired LIC Employees are also authorized to collect the premium on line and issue receipt instantly through their premium points. At present more than 300 such employees are enabled. Premium can be collected for conventional and ULIP (other than Health Insurance) policies.

Customer Zones:

Customer Zones have been conceptualized as a 'one-stop resolution' for all servicing needs of Phone-in & Walk-in customers, with special emphasis on "Quality Experience" for the customer. Presently **73 Customer Zones** are **Operational**. Customers can contact these offices from 8.00 a.m. to 8.00 p.m. on Monday to Friday and from 10.00 a.m. to 6.00 p.m. on Saturday.

Claims Disputes Redressal Mechanism

The Corporation has pioneered an internal review mechanism to give an opportunity to the claimant to appeal for a review, whenever a death claim is repudiated by a Divisional Office. When a claim is repudiated, the claimant is explicitly informed of the grounds of repudiation and is informed that he may prefer his / her appeal to Zonal Office Claims Disputes Redressal Committee (ZO CDRC). ZO CDRC consists of senior officials of the Zonal Office and a retired District or High Court Judge. Such Committees are functioning in all our eight Zonal Offices.

In case the claimant is not satisfied with the decision of ZO CDRC and the net claim amount exceeds the amount stipulated for final decision by ZO CDRC, the claimant may prefer his / her appeal to Central Office Claims Disputes Redressal Committee (CO CDRC) for further review. CO CDRC consists of senior officials of the Central Office and a retired High Court judge. Retired District or High Court judges are inducted in the Committees to bring in transparency in the process of review vis-à-vis the claimant.

Grievance Redressal Machinery:

Policyholders' Grievance Redressal Cells exist in all the Offices of the Corporation, headed by Senior Officers who can be approached by policyholders for redressal of their grievances, on any day but particularly on every Monday between 2.30 p.m. and 4.30 p.m. without prior appointment.

Central Office -	Executive Director (CRM)	- for conventional policies.
	Executive Director (HI)	- for health insurance policies.
	Executive Director (P&GS)	- for Group Insurance policies.
	Executive Director (MI)	- for Micro Insurance policies.
All Zonal Offices -	Regional Manager (CRM)	- for conventional policies.
	Regional Manager (P&GS)	- for Group insurance policies.
All Divisional Offices -	Manager (CRM)	
All Branch Offices -	Chief Manager / Sr./ Branch Manager.	

INFORMATION TECHNOLOGY IN LIC

The salient features of I.T. in LIC include

- a. Networking of all its Branches, Satellite Offices, Divisions and Zones through which the applications are standardized and MIS obtained.
- b. Standard applications for Policy servicing and all operations of branches developed at the Corporate Office and in-house.
- c. A real-time data flow for Online Transactions Processing across the offices and to the Centralised Database which caters to the services rendered through LIC's portal www.licindia.in
- d. An active Data Warehouse of all policy operations which helps in generating leads, analysis and campaigns.
- e. Enterprise Document Management System, through which all the policy dockets and their incremental papers have been scanned and used for Policy servicing
- f. LIC Portal: Portal is the single largest collection centre with 29,782 outlets actively using the systems for premium collection and other servicing. Portal collections have gone up to more than 15 crore policies in the year 2013-14. In 2013-14, percentage of premium collection through portal channels to All India collection increased to 41.56% as compared to 34.66% in FY 2012-13. The systems are also actively used by 2000+ Development officers for submitting I-Proposals
- g. Data Warehouse is the single source of information for all the Regulatory as well as Management Information Reports. The Warehouse has also been actively used by all the marketing and servicing channels to launch various campaigns during the year. It has been a rich source of Lead generation and customer contact, as well as cost savings through initiatives like Single notice to customers holding multiple policies.
- h. During 2013-14, we developed systems for carrying out online e-KYC and for the launch of LIC's e-term Plan. In order to safeguard its IT infrastructure from external threats, LIC has also installed the latest IT Security products in its setup, and has carried out a full-fledged Information Security Audit during the year 2013-14.

MINI OFFICES : A NEW INITIATIVE

In accordance with the budget announcement by Hon'ble Finance Minister, the Ministry directed LIC to open an office in all towns of India where population is 10,000 or more and accordingly we opened 1242 Mini Offices. The Mini Offices will work under the branch in whose jurisdiction the town falls.

Access has been given through the portal. Apart from the premium collections, the following service requests are available at the Mini Offices :

- Status reports
- Revival Quotations
- Policy Branch Details
- Premium Calculator
- Medical Examiner locator
- Office locator
- NAV values

GOLDEN JUBILEE FOUNDATION

LIC Golden Jubilee Foundation was established in the year 2006 as a part of LIC's Corporate Social Responsibility. The objectives of the Foundation are Relief of poverty or distress, Advancement of education, Medical Relief and Advancement of any other object of general public utility. Since inception the Foundation has supported NGOs dedicated to the above areas through 296 projects which are located across the country. The Foundation has reached out to many deprived sections of society through the infrastructural support provided in the above areas.

LIC Golden Jubilee Scholarship Scheme provides scholarships at the rate of ₹10,000/-p.a to children from economically weaker sections of the society to pursue higher education till they complete their graduation /professional course. Approximately 8787 students have benefited from the scheme so far.

INTERNATIONAL OPERATIONS

LIC today is a financial conglomerate of international repute servicing its customers matching international standards. LIC is now present in 13 other countries as branch offices, wholly owned, subsidiaries or joint venture companies

- a. **Branch Offices: Fiji, Mauritius and United Kingdom.**
- b. **Wholly Owned Subsidiary (WOS): Singapore**
- c. **Joint Venture Companies: Bahrain {also operates in Kuwait, Oman, Qatar and UAE (Dubai & Abu Dhabi)}, Nepal, Sri Lanka, Kenya and Kingdom of Saudi Arabia.**

DIVERSIFIED ACTIVITIES

Besides life insurance, LIC is involved in providing various other financial services through following group companies.

- ❖ **LIC Pension Fund Ltd**
- ❖ **LIC Housing Finance Ltd and its subsidiary companies**
 - LIC HFL Financial Services Ltd
 - LIC HFL Care Homes Ltd
 - LIC HFL AMC Ltd
- ❖ **LIC Nomura Mutual Fund Ltd and its subsidiary company**
 - LIC Nomura Mutual Fund AMC Ltd
- ❖ **LIC Card Services Ltd**

LIC wins

AWARDS 2013-14



The Indian Insurance Award for Best Product Innovation



The Indian Insurance Award for Under Served Market Penetration (Public Sector)



The Indian Insurance Award for Claims Service Company of the year



IPE BFSI Award for Best Insurance Company in Public Sector



BFSI - Pan Pacific Singapore Awards
1. Best Life Insurance Company
2. Underwriting initiative of the year
3. Company with highest claim settlement



MACCIA-IBN Lokmat Award for Financial Services-Life Insurance Category



Asian Sustainability Leadership Award for Best Overall Sustainable Performance



Asian Sustainability Leadership Award for Outstanding Social Impact



ABCI Award for Internal Magazine-Bronze (for Yogakshema magazine)



ABCI Award for Photofeature-Silver (for Yogakshema magazine)



ABCI Award for Wall Calendar - Silver



ABCI Elite Award for Excellence in Brand Communication



ABP NEWS-BE Award for Brand Excellence in Insurance Sector



Master Brand Award 2013



Global Brand Excellence Awards for
1. Best Use of Social Media in Marketing
2. Brand excellence in BFSI
3. Best in-house Magazine



Readers Digest Award for Trusted Brand



SKOCH Renaissance Award for Customer Relationship Management



Indian Life Insurance Award for Best Insurance Product Of The Year



Outlook Money Award for Best Life Insurance Provider



Dainik Bhaskar India Pride Award for National PSUs- Financial Services



Dainik Purvoday-North East Consumer Award for Most Preferred Life Insurer



3rd Annual Greentech CSR Award for Corporate Social Responsibility-Silver



Medibiz TV Global Healthcare Award for Best Insurance Company



My FM Stars of The Industry Award for Excellence in Life Insurance



ABP News BFSI Award for Most Admired Insurance Companies in Public Sector



ABP News Global CSR Excellence & Leadership Award for Outstanding Contribution to CSR Practices



3rd Annual Legal Era Award for Best Insurance In house legal team of the year