LIC

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LIC Latest News

LIC Agents Protest Against New Insurance Rules

About LIC

- **Life Insurance Corporation of India (LIC)** is the **largest public sector life insurance company** and **institutional investor** in India.
- **Headquartered in Mumbai**, it plays a **crucial role in India's financial market**.
- **Motto**: **"Yogakshemam Vahamyaham"** (From the Bhagavad Gita) – **"Your welfare is our responsibility."**
- Established in **1956** through the **Life Insurance of India Act**, which **nationalized the insurance sector** by merging **245 private insurers and provident societies** into a single entity.
- LIC operates through **8 zonal offices** in **Delhi, Chennai, Mumbai, Hyderabad, Kanpur, Kolkata, Bhopal, and Patna**.

Historical Background of the Indian Insurance Industry

- **1818: Oriental Life Insurance Company**, the first life insurance company in India, was established.
- **1870: Bombay Mutual Life Assurance Society**, the first Indian-owned life insurance company, was founded.
- **1912: Indian Life Assurance Companies Act** was enacted to regulate life insurance businesses.
- **1928: Indian Insurance Companies Act** was passed to enable the government to collect statistical data on life and non-life insurance companies.
- **1938: Insurance Act, 1938**, was enacted to **protect policyholders' interests** and regulate the sector.
- **1956: LIC was formed** by merging **245 Indian and foreign insurance companies** with an initial **capital of ₹5 crore** from the **Government of India**.
- Meanwhile, **General Insurance** in India began with the **Triton Insurance Company Ltd. in 1850**, established by the British in **Calcutta**.

Financial Services Institutions Bureau (FSIB)

- **Established in 2022** by the **Union Government** to recommend appointments of **whole-time directors and non-executive chairpersons** in **public sector financial institutions**.
- Also advises on **personnel management policies** in these institutions.
- **Vision**: To **promote corporate governance excellence** in **public sector financial institutions**.
- **Secretariat**: Consists of a **Secretary and four officers**.

Insurance Regulatory and Development Authority of India (IRDAI)

- **Statutory body** formed under the **IRDAI Act, 1999** for the **supervision and regulation of the insurance sector**.
- **Powers & Functions**:
  - **Promotes competition** to enhance **consumer choice and fair pricing**.
  - **Ensures financial security** of the **insurance market**.
  - **Regulates entities** under the **Insurance Act, 1938**, which is the **primary law governing the insurance sector**.
  - Other relevant laws include:
    - **Marine Insurance Act, 1963** (governing marine insurance).
    - **Public Liability Insurance Act, 1991** (covering liability insurance).

LIC FAQs

Q1. What is the Life Insurance Corporation of India (LIC)?

Ans. LIC is a state-owned insurance company established in 1956 after the nationalization of private insurance companies. It is the largest insurer in India, offering life insurance and investment services.

Q2. Why was LIC established?

Ans. LIC was created under the Life Insurance Corporation Act, 1956 to provide life insurance services and promote financial security for citizens.

Q3. Who regulates LIC?

Ans. LIC is regulated by the Insurance Regulatory and Development Authority of India (IRDAI) and operates under the Ministry of Finance, Government of India.

Source: TH
