

INSURANCE

Figures in this section refer to the insurance business of insurers who transacted business under the Insurance Act, 1938. The Postal Life Insurance Fund (Tables 14.4 and 14.5) is, however, exempted from the operation of the Act. From September 1, 1956, life insurance was nationalised and the then existing business of Indian insurers, and Provident Societies and Indian business of foreign insurers were vested in the Life Insurance Corporation of India.

Table 23.1

This table gives the revenue account of the insurance business in India.

Table 23.2

This table gives the new life insurance business by Indian Insurers during the year and total business in force at the end of the year.

Table 23.3

This table shows the summary of the balance-sheet of life and other classes of business of the Life Insurance Corporation of India.

Tables 23.4 and 23.5

Table 23.4 shows Receipts and Payments of Post Office Life Insurance Fund Account and Table 23.5 shows policies issued under Postal Life Insurance.

The postal insurance data were available separately for whole life and endowment policies upto the year 1963-64. As the accounts for the two have been amalgamated and are not being maintained separately from April 1964, consolidated data for whole life and endowment postal insurance, are shown in these tables from 1964-65 onwards.

Table 23.6

Figures for other insurers are for calendar year ending 31st December while those for Life Insurance Corporation of India are for financial year ending 31st March.

Table on General Insurance business of Non-Indian Insurers has been discontinued as the data for the table are not available after Jan. 1, 1973, when general insurance was nationalised, and the undertakings of foreign insurers were transferred to and vested in the Indian Insurance Companies.

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Table 23.1- LIFE INSURANCE REVENUE ACCOUNT OF THE LIFE INSURANCE CORPORATION OF INDIA

(Rs. Million)

Item	1990-91	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
1	2	3	4	5	6	7	8
Income							
Premium for Life Insurance and Annuities/ single(including consideration for annuities granted)	2752	90961	53460	52298	50086	147878	263372
First Year's	12917	104902	106260	117522	115652	137272	298806
Renewal	40339	302196	386384	461486	542841	622442	715645
Net Interest, Dividends and Rents (1)	28206	238492	259896	298559	370559	400464	456824
Other receipts	966	1247	3553	1125	2064	13413	9601
Total	8518	737798	809474	930990	1081208	1321469	1744248
Outgo							
Claims by death	3279	21435	25444	29397	33050	37690	44433
Claims by survival	14346	122182	144355	166507	203560	247434	320939
Surrenders including Bonus in reduction of premium	1323	22942	25663	31553	33392	37344	159553
Annuities less re-insurance	567	10161	12006	14116	16355	19775	21896
Transfer of Reserve	50	2724	87726	75724	12590	3012	4755
Expenses of management							
Commission to Insurance agents	5424	45179	49986	57339	61987	70949	91691
Other Expenses	7590	42604	45718	51929	62413	60416	70809
Indian Dominion and Foreign taxes	2549	8682	12586	15063	53652	39678	46708
Miscellaneous	7614\$	8139	4970	5518	6966	6218	7578
Increase to Life Insurance Fund	49291	453750	401020	483844	597244	798953	975886
Total	85180	737798	809474	930990	1081208	1321469	1744248

Source: Life Insurance Corporation of India

(1) Includes refund of Income Tax.

\$ Rs.76.14 crores in 1990-91 was paid to Government of India as 5% of valuation surplus.

Table 23.2-NEW LIFE INSURANCE BUSINESS BY INDIAN INSURERS
AND TOTAL LIFE INSURANCE BUSINESS IN FORCE

(Rs. Million)

Year	New business			Total business in force at the end of the year		
	Sum assured per annum	Annuities	Notional Cash Option	Sum assured and bonus	Annuities per annum	Notional Cash Option
1	2	3	4	5	6	7
1990-91	541512	2031	..	1496814	9684	..
1997-98	1390760	3232	..	4755466	21381	..
1998-99@	756063	2464	..	4592010	15910	..
1999-00	914909	6001	..	5364508	21338	..
2000-01	1249506	9083	..	6450419	29626	..
2001-02	1927850	73369	..	8110173	104605	..
2002-03	1798112	174	35834	9566752	103493	35834
2003-04	2000394	321	28266	11131887	100179	60517
2004-05	1785413	33	36040	12734687	43261	637795
2005-06	2882258	86*	2882	15354396	45042	639115
2006-07	3028916	12026*	2192	17751038	45193	870274

Source: Life Insurance Corporation of India

@ 1998-99 figures are including group business figures.

(*) For new deferred annuity policies annuity rates are not guaranteed and hence Notional Cash Option is given in column 4 & 7

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Table 23.3- LIABILITIES AND ASSETS OF THE LIFE INSURANCE CORPORATION OF INDIA

Item	(Rs.Million)					
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
1	2	3	4	5	6	7
Liabilities						
Capital	50	50	50	50	50	50
Funds						
Life insurance funds	2270105	2696578	3165842	3744911	4412456	5147105
Other insurance funds	23862	33361	47726	65311	84429	100982
General reserve and other reserve funds	25019	25103	25914	30399	30153	30946
Profits and loss account	-	-	-	-	-	-
Credit/Debit fair value change account	30414	17143	216726	282263	652225	620511
Outstandings						
Life insurance claims admitted or intimated but not paid	3198	2913	3360	3944	4934	6651
Other liabilities of life insurance business	100414	130900	213810	253451	340030	612207
Estimated liability in respect of outstanding claims of general insurance business	-	-	-	-	-	-
Other sums owing to insurers	210	195	170	462	197	378
Contra accounts entry	-	-	-	-	-	-
Total	2453272	2906243	3673598	4380792	5524473	6518829
Assets						
Mortgage on property	107636	103208	121720	119886	127463	163281
Loans on policies within their surrender values including A.N.F. advances	71554	85684	112697	150161	186535	201844
Loans on reversions and life interest	-	-	-	-	-	-
Loans on stocks and shares	-	-	-	-	-	-
Other loans (1)	163488	181855	201164	249872	237246	265690
Govt. securities and Govt. guaranteed bonds including Treasury Bills	1283855	1635005	2024345	2489071	2939244	3318691
Other approved securities	-	-	-	-	225774	52621
Other investments	-	-	-	-	1185849	1396808
Investments in infrastructures and social section	-	-	-	-	258477	337299
Other than approved Investments	-	-	-	-	256461	365799
Provision for Doubtful Investments	-	-	-	-	11598	12917
Land and house property	5873	6528	7154	7713	8419	9273
Agents' balances	3595	4415	5015	5621	6361	6539
Outstanding premium	22905	29747	35204	36110	41046	50580
Amount due from other insurers	12	13	17	9	10	8
Accrued and outstanding interest,dividends and rents	87309	84398	69324	83800	86773	96001
Deposits,cash and stamps	71685	98170	100739	103540	123592	200959
Miscellaneous	54048	47349	47651	41633	56021	66352
Contra accounts entry	-	-	-	-	-	-
Total*	2453272	2906243	3673598	4380792	5524473	6518829

Source: Life Insurance Corporation of India

(1) From 1972-73 onwards, "Other loans" include "loans on personal security" and "loans to State Govts. for housing & other schemes" which were hitherto included in "bonds, debentures etc.".

*: Includes some others items also

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Table 23.4-POST OFFICE LIFE INSURANCE FUND ACCOUNT

(Rs.Million)

Particular	1990-91	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
1	2	3	4	5	6	7	8
I.Postal Life Insurance							
Receipts							
Balance at the beginning of the year	6396	38540	44623	50902	57973	66198	76784
Premia realised	961	4362	5027	5917	6989	9054	10798
Medical fee realised	-	-	-	-	-	-	-
Cost of assignment fees	-	-	-	-	-	-	-
Fines realised	1	4	4	6	6	7	7
Loans-principal	21	231	260	276	290	262	309
Loans-interest	5	23	36	39	43	84	57
Misc. receipts	-	-	-	-	-	-	-
Interest on balance	801	4103	4324	4688	4764	5501	6402
Total Receipts	8185	47262	54273	61827	70065	81106	94357
Payments							
Policies paid (Maturity and Death)	204	1403	1894	2231	2310	3013	3518
Monthly allowance paid	-	-	-	-	-	-	-
Surrender value paid	65	506	632	798	709	297	298
Medical fees paid	1	2	2	2	3	3	3
Refunds	2	9	12	14	13	15	18
Refund of M.E.	-	-	-	-	-	-	-
Refunds of loan interest	-	-	-	-	-	-	-
Loan payment on principle	52	308	352	412	412	335	429
Postal establishment including printing etc.	101	411	480	397	421	659	756
Refunds of assign non fees	-	-	-	-	-	-	-
Misc. charges	-	-	-	-	-	-	-
Total Payments	425	2640	3372	3854	3867	4321	5021
Balance at the end of year (Total Receipt-Total Payments)	7761	44623	50902	57973	66198	76784	89336
II.Extra Premium fund							
Receipts							
Balance at the beginning of the year(as on 1st April)	31	-	-	-	-	-	-
Subscriptions realised	-	-	-	-	-	-	-
Interest on balance	4	-	-	-	-	-	-
Total	35	-	-	-	-	-	-
Payments							
Postal establishment including printing etc.	-	-	-	-	-	-	-
Balance at the end of the year	35	-	-	-	-	-	-

Source: Department of Post,

Note: Totals may not tally due to rounding off of figures.

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Table 23.5-POSTAL LIFE INSURANCE POLICIES ISSUED (1)

(number: '00)
(Amount :Rs. Million)

Year	Balance at the beginning of the year		Issued during the year		Total		Deduct			
							Effect of conversion		By death	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1	2	3	4	5	6	7	8	9	10	11
1990-91	15794	21194	1564	4763	17358	25957	-	0	24	24
1995-96	20929	47769	1719	8431	22648	56200	-	1	35	56
1996-97	21985	55461	1374	7685	23359	63146	-	1	44	80
1997-98	22549	62158	1457	9514	24006	71672	-	1	43	85
1998-99	23256	70654	1479	10750	24735	81403	-	0	52	113
1999-00	23875	80006	1646	13982	25522	93988	-	0	55	130
2000-01	19004	92320	1568	13633	20572	105953	-	0	52	139
2001-02	19526	104051	1722	17100	21248	121151	-	1	55	159
2002-03	20217	120101	2130	21102	22347	141203	-	2	53	271
2003-04	20986	136768	2769	28467	23755	165235	-	2	46	263
2004-05	22087	159176	3444	30306	25531	189483	-	5	52	321
2005-06	28578	187472	3646	45332	32224	232804	-	2	57	249
Deduct-Concltd.										
Year	By maturity		By surrender		By lapse and cancellation		Total		Balance at the end of the year	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1	12	13	14	15	16	17	18	19	20	21
1990-91	235	105	169	137	11	11	439	278	16919	25678
1995-96	393	234	234	447	-	1	662	739	21986	55461
1996-97	488	309	278	596	-	1	810	986	22549	62160
1997-98	462	332	238	587	5	13	748	1018	23258	70654
1998-99	515	417	292	864	1	3	860	1397	23875	80006
1999-00	620	550	326	963	5517	25	6518	1668	19004	92320
2000-01	661	646	330	1110	3	8	1046	1902	19526	104051
2001-02	747	875	359	1408	1	5	1162	2448	20086	118703
2002-03	787	1960	399	798	122	1405	1361	4435	20986	136768
2003-04	726	2047	315	709	581	3039	1668	6059	22087	159176
2004-05	849	2692	172	297	541	3113	1614	6428	23917	191054
2005-06	892	1590	156	851	136	595	1241	3288	30983	229516

Source : Departments of Post

(1) The accounts of the Whole Life and Endowment Assurance Policies and Annuities were amalgamated with effect from 1st April, 1964. The figures include monthly allowance contracts issued, discharged, lapsed and surrendered during the year.

Note: Totals may not tally due to rounding off of figures.

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Table 23.6-PARTICULARS RELATING TO PREMIUM DERIVED FROM FIRE, MARINE AND MISCELLANEOUS INSURANCE BUSINESS OF INDIAN INSURERS

(Rs.Million)

Year	Premium income included in Revenue Account							
	Fire		Marine		Miscellaneous		Total	
	In India	Outside India	In India	Outside India	In India	Outside India	In India	Outside India
1	2	3	4	5	6	7	8	9
1990-91	5279	1652	4163	549	14750	1031	24192	3232
1995-96	12414	3873	7119	1628	31335	3192	50868	8693
1996-97	14556	3218	7451	670	38399	3042	60406	6930
1997-98	16482	2708	7565	660	45202	2953	67249	6321
1998-99	17953	2495	7594	817	51780	340	77323	670
1999-00	21410	2617	7695	767	57374	3772	86479	7157
2000-01	18451	3050	7392	893	67341	5597	93183	9540
2001-02	24110	2229	7705	457	77394	2266	109209	4952
2002-03	25121	3182	11307	502	89135	5957	125563	9642
2003-04	24463	3078	9655	578	99253	5819	133371	9476
2004-05	24114	2926	9830	611	105786	6221	139730	9759

Source: General Insures, (Public Sector) Association of India

Note: The L.I.C. of India has not been transacting any general insurance business from 1.8.1973.

TABLE NUMBER 23.1
REVENUE OF
LIFE INSURANCE CORPORATION OF INDIA

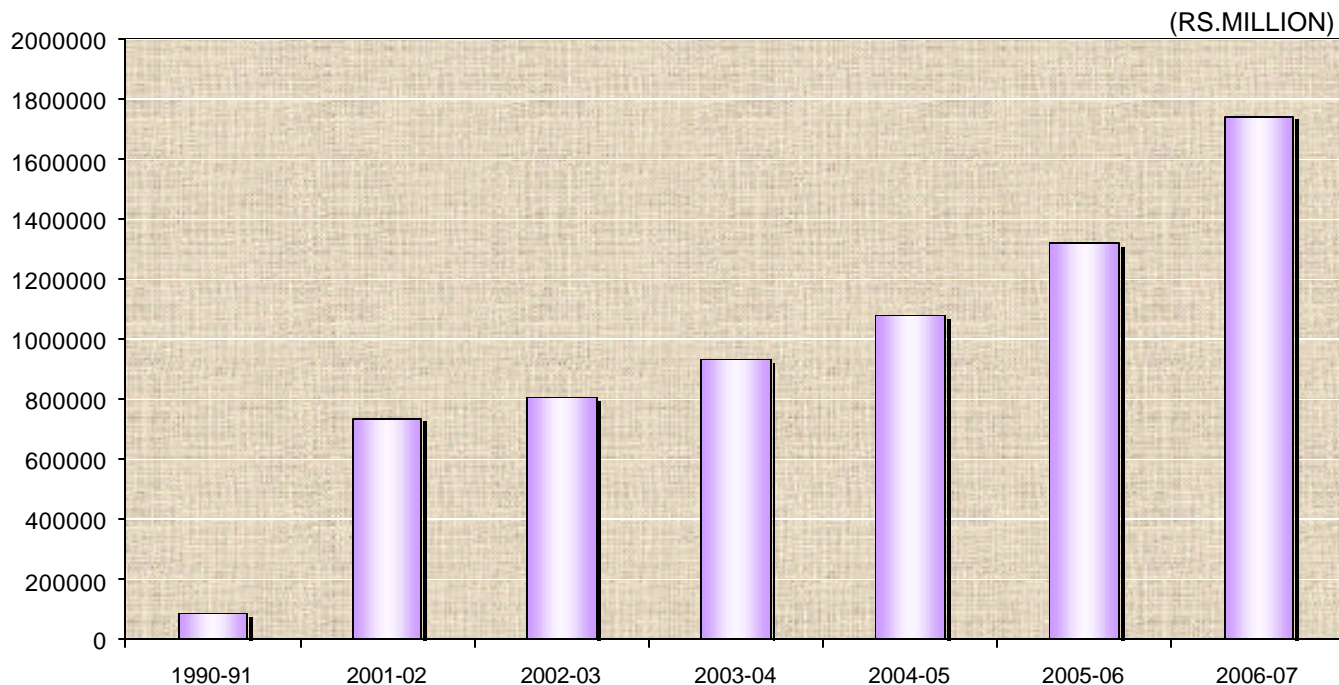


TABLE NUMBER 23.3
LIABILITIES OR
ASSETS OF LIFE INSURANCE CORPORATION

