

# नया दशक नये सपने

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## NEW DECADE NEW DREAMS



## LIC Profile -2020

The Life Insurance Corporation of India came into existence on 1st September, 1956, with the objective of spreading life insurance more widely and in particular to the rural areas with a view to reach all insurable persons in the country, providing them adequate financial cover at a reasonable cost .

From then to now, LIC has crossed many milestones and has set unprecedented performance records in various aspects of life insurance business. LIC continues to be the dominant life insurer even in the liberalized scenario of Indian insurance and is moving fast on a new growth trajectory surpassing its own past records. In its 63 years of existence, LIC has grown from strength to strength be its customer base, agency network, branch office network, new business premium and has a significant role in spreading life insurance widely across the country.

### Organisational Structure as on 31.3.2020

Classification of Offices	No. of Offices
Central Office	1
Zonal Office	8
Divisional Office	113
P&GS Unit	77
SSS Unit	4
Branch Office	2048
Satellite Office	1526
Mini Office	1178
Employees	1,14,498
Agents	12,08,826

### NEW BUSINESS DURING THE YEAR 2019-20

	Policies ( in lacs )	First Year Premium Income ( Rs. in Cr )
Composite	219.25	1,77,977.07
Market Share %	75.90 %	68.74 %

- Excluding Business procured under Pradhan Mantri Vaya Vandana Yojana

### PRADHAN MANTRI VAYA VANDANA YOJANA DURING THE YEAR 2019-20

Policies	<b>1,68,779</b>
FPI ( Rs. in Cr )	<b>13,202.35</b>

### PENSION AND GROUP BUSINESS & SOCIAL SECURITY SCHEMES

Achievement from 01.04.2019 to 31.03.2020:

	P&GS Conventional	Social Security Schemes
No. of Lives (in lakh)	311.10	94.20
NB Premium Income (in cr.)	126696.21	53.04
Total Premium Income (in cr.)	133636.27	636.90

**Business in force as on 31.03.2020**

	(In Crore)	Sum Assured /NCO (Rs in Crore)
Individual Policies	28.92	49,33,798
Group Policies(lives)	11.36	1881026.32

**CLAIM SETTLEMENT PERFORMANCE 2019-20**

Total Number of Claims settled	215.98 Lakh
Total amount of Claims paid	1,59,770.32 Crores
Percentage of Maturity claims Paid	87.66
Percentage of Death Claims Paid	95.44

**OTHER PERFORMANCE PARAMETERS**

(Rs.in crs)

	F.Y.2019-20
Total Income	6,15,882.94
Total Premium Income	3,79,062.56
Payment to Policyholders	2,54,222.27
Total Life Fund	31,14,496.05
Total Assets	31,96,214.81

## **PRODUCT DEVELOPMENT**

At the end of the financial year 2019-20, we have 27 plans for sale under Individual Business. The products satisfy the different needs of various segments of the society. The various categories being Endowment, Term Assurance, Children, Pension, Micro Insurance, Health Insurance, Unit linked type plans etc.

### INDIVIDUAL PLANS (AS ON 31.03.2020)

Sr. No.	Plan Number	Plan Name
1	904	LIC's Jeevan Arogya
2	914	LIC's New Endowment Plan
3	917	LIC's Single Premium Endowment Plan
4	920	LIC's New Money Back - 20 years
5	921	LIC's New Money Back - 25 years
6	916	LIC's New Bima Bachat
7	915	LIC's New Jeevan Anand
8	932	LIC's New Children's Money Back Plan
9	933	LIC's Jeevan Lakshya
10	934	LIC's Jeevan Tarun
11	935	LIC's New Endowment Plus
12	936	LIC's Jeevan Labh Plan
13	939	LIC's Bhagya Lakshmi Plan
14	940	LIC's New Jeevan Mangal Plan
15	842	Pradhan Mantri Vaya Vandana Yojana
16	943	LIC's Aadhaar Stambh
17	944	LIC's Aadhaar Shila
18	945	LIC's Jeevan Umang
19	947	LIC's Jeevan Shiromani
20	948	LIC's Bima Shree
21	905	LIC's Cancer Cover
22	850	LIC's Jeevan Shanti
23	951	LIC's Micro Bachat
24	854	LIC's Tech Term
25	855	LIC's Jeevan Amar
26	849	LIC's Nivesh Plus
27	852	LIC's SIIP

For details of plans, kindly visit our website [www.licindia.in](http://www.licindia.in) or intranet site of Marketing Department , Central Office.

**The existing plans of Pension & Group Schemes are:**

Sr No	Name of the Product	UIN Number
1	LIC's New Group Gratuity Cash Accumulation Plan	512N281V03
2	LIC's New Group Leave Encashment Plan	512N282V03
3	LIC's New Group Superannuation Cash Accumulation Plan	512N274V03
4	LIC's New One Year Renewable Group Term Assurance Plan-I	512N275V01
5	LIC's New One Year Renewable Group Term Assurance Plan-II	512N276V01
6	LIC's Single Premium Group Insurance	512N298V01
7	LIC's Group Credit Life Insurance	512N302V01
8	Group Immediate Annuities	512N049V01
9	Pradhan Mantri Jeevan Jyoti Bima Yojana	512G300V01
10	LIC's One Year Renewable Group Micro Term Assurance Plan	512N335V01

**DIRECT MARKETING**

LIC Direct Marketing is an alternate Marketing Channel established in August 2009 with 6 Units. Over the years, the Channel has expanded & now operating in 119 Units across 112 Divisions.

The purpose of the Channel is to bring a culturally different approach to the Marketing of Life Insurance products. The Channel over the years has created new systems for business generation, sales process monitoring and business processes with a view to reach out to untapped markets and provide improved buying experience to customers.

The Channel is driven by the Values of Passion, Professionalism and Performance, providing excellent buying experience to Customers with enhanced support of IT, especially to today's young, tech savvy executives and High Net worth Individuals.

Direct Marketing channel consist of two verticals:

- 1) Offline vertical comprising of Chief Organizers (COs)/Direct Sales Advisors (DSAs)
- 2) Online vertical

Offline Vertical catered by Chief Organizers & DSAs are attached to 119 DMKT Units spread across the Country.

The Chief Organizer (LIC Direct) Scheme, 2015 was introduced w.e.f. 01.04.2015 to take forward the objectives of the channel. As on 31.03.2020, the total number of COs and DSAs in the channel is 1,055 and 5,599 respectively.

In the Financial Year 2019-20, the Channel has procured First Year Premium Income (FYPI) of ₹ 972.63 Crore on 86,865 Policies, contributing 1.90% & 0.40% to Corporations Total business on FYPI & Policy respectively.

For the Year 2019-20, Rs. 553.47 Crore First Premium Income on 63,295 policies was procured through COs & DSAs.

The Distance Marketing Centre of the Channel at Vile Parle processes Online Products and also acts as a Call Centre to service the customer enquiries related to online business processing. Distance Marketing Centre also offers annuity to those NPS subscribers who choose LIC as their Annuity Service Provider.

In the Year 2019-20, the Channel has procured Rs. 233.58 Crore on 18,632 policies through online plans. The Distance Marketing Centre has also completed Rs. 158.53 Crore on 4,938 policies under NPS (National Pension System).

Currently Five products are available to buy online viz., LIC's Tech Term (Online Term plan), LIC's Cancer Cover (Protection against cancer), LIC's Jeevan Shanti (Immediate and Deferred annuity plan), Nivesh Plus (Unit linked Single premium Plan) LIC's SIIP (Unit linked non Single premium plan).

During the Year 2019-20, three products, available for online purchase were closed viz - LIC's Navjeevan (Savings plan with enhanced cover), Jeevan Akshay –VI (Immediate Annuity Plan) and LIC's e-Term (Online Term Plan).

Pradhan Mantri Vaya Vandana Yojana, PMVVY scheme (Annuity plan for senior citizen), which was also available to buy online, closed on 31.03.2020.

The customer can buy online policies from LIC site [www.licindia.in](http://www.licindia.in) by clicking on "Buy policies online".

### **Mktg. - Bancassurance & Alternate Channels**

Achievement from 01-04-2019 to 31-03-2020

	Volume	Percentage share to Total New Business	Growth %
Policies	<b>2,45,475</b>	<b>1.12</b>	<b>6.60</b>
First Premium Income (₹. in crore)	<b>1508.76</b>	<b>3.73</b>	<b>13.58</b>

We have tie-ups with **10 PSU Banks, 6 Private Banks, 16 Regional Rural Banks, 43 Co-operative Banks and 1 Foreign Bank** under Corporate Agency agreement. These Banks procure New Business for LIC through their Branch Outlets. At present, we have about 43,672 Outlets under these Banks and our endeavour is to enhance the productivity of each outlet and revenue earning of Banks thereby.

During the financial year, 128 Brokers were active. Apart from the banks, we have tie up with 69 other Corporate Agents & 121 Insurance Marketing Firms, as our Channel partners. In this year, 4 Banks, 7 Other Corporate Agents & 38 Insurance Marketing Firms (IMFs) were newly appointed.

Amongst our Bank Partners, IDBI Bank occupied No. 1 position in Total First Premium with ₹.699.03 Crore, followed by Axis Bank with ₹. 196.65 Crore and Central Bank of India with ₹.88.39 Crore. On

Number of Policies, IDBI Bank occupied No. 1 position with 66,751 policies followed by Central Bank of India with 26,616 policies and Axis Bank is ranked 3<sup>rd</sup> with 23,932 policies.

242 Bank Branches procured ₹. 1 crore and above TFPI, while 387 Bank Branches, procured TFPI between ₹. 50 lacs to ₹. 99 lacs, during the year.

### **Chief Life Insurance Advisor Channel**

The Chief Life Insurance Advisor Scheme was introduced w.e.f 1st April 2008. Besides Agents who are members of DM/ZM/CM/Galaxy/Corporate club, Retired employees and Financial Service Executives (FSE) are eligible to become Chief Life Insurance Advisors under certain conditions.

**The Vision** of the CLIA Department is to create a formidable distribution channel in order to bring about qualitative and quantitative improvement in business and making it a dominant Channel with highest share in total business. **Its mission** is to enhance market presence by adding substantial number of agents through CLIAs to improve market share.

In F.Y. 2019-20, the Channel procured its highest ever FYPI of 6629.74 crore and 30,96,631 policies thereby achieving the NOP Budget for the 1<sup>st</sup> time since inception of the Channel. FYRP Budget of 950 crore was achieved on 31.1.2020. CLIA Channel increased its Share to the Total Corporation's New Business on all 5 Pillars.

CLIA NOP Budget was achieved by 4 Zones & 61 Divisions, Single Premium Budget by 3 Zones and 43 Divisions, NSP Budget by 4 Zone and 43 Divisions, FYRP Budget by all Zones and 102 Divisions and FYPI Budget by 4 Zone and 54 Divisions. Central Zone and 12 Divisions- Bhavnagar, Gandhinagar, Mumbai-IV, Jaipur-II, Agra, Gwalior, Jabalpur, Berhampur, Cuttack, Hazaribagh, Kharagpur, Silchar achieved Budget on all 5 pillars.

There are 1047 Branches contributing more than 10% NOP through CLIA Channel while 1125 Branches are contributing more than 10% FYPI through CLIA Channel.

As on 31.3.2020 the Mktg/CLIA Channel has on roll 28067 CLIAs with 22987 as active CLIAs. 9901 CLIAs earned Training & Mentorship Allowance. 4128 CLIAs were members of various CLIA Brigades for M.Y. 2019-20 (Silver Brigade:1621, Gold Brigade:1125, Diamond Brigade: 1100 & Platinum Brigade:282). The Channel had a net addition of 19066 Supervised Agents (+10.90%) taking the on roll Supervised Agents to 1,93,950 as on 31.3.2020.

The NB position during F.Y. 2019-20 is given below:

	NOP	S.P	N.S.P	F.Y. R.P	F.Y.P.I.
Budget	30,00,000	3750 cr	2000 cr	950 cr	6700 cr
Volume	30,96,631	3525.74 cr	1936.14 cr	1167.86 cr	6629.74 cr
% Grth	13.89	(-) 3.56	17.19	36.97	7.61
% A2B	103.22	94.02	96.81	122.93	98.95
% share	14.14% (LY 12.70)	16.07% (LY 15.12%)	10.43% (LY 9.78%)	10.93% (LY 8.58 %)	12.95% (LY 12.07%)

## **Senior Business Associates**

The SBA Scheme was introduced in the year 2009 to recognize high performing Development Officers and to empower them with certain financial and non-financial functions. The SBAs are empowered to collect renewal premium and proposal deposit through “LIFE PLUS” office run by them. They can also do completions of new proposals through E2E module and provide basic servicing functions. As on 31.03.2020, there are 3806 SBAs and their new business performance for the year 2019-2020 is as follows:

Parameter	Policies	Single Premium (Rs in Cr)	Non Single Premium (Rs in Cr)	First Year Renewal Premium (Rs in Cr)	First Year Premium Income (Rs in Cr)
Actual	59,78,393	5099.23	5824.45	3320.56	14,244.25
% A2B	89.23	91.06	100.42	100.62	96.90
% Growth	0.66	-8.26	11.95	4.04	2.09
%Share in corporation's Business	27.30	23.24	31.39	31.09	27.83

Some of the highlights of SBA's performance during 2019-20 are as below:

- SBA channel achieved 59.78 lacs policies with Rs 14244.25 crore. First Year Premium Income. This is highest ever achievement on both counts.
- 8 Divisions achieved budget on All Five Pillars – Raichur, Mysore, Shahdol, Dharwad, Rohtak, Kottayam, Gandhinagar, Jaipur II.
- 03 SBAs have crossed 10,000 policies while 27 other SBAs have crossed 5000 policies.
- 01 SBA crossed 50 crore TFPI(SP+NSP) and 05 SBAs crossed 25 crore TFPI (SP+NSP).
- As on 31.03.2020 No. of agents under SBAs are 2,85,401
- Patna DO-1 is Number One Division in share of SBA channel in total new business in policies by procuring 50.53% of total new business
- SBAs have collected Rs. 16,221.86 crore through 3.03 crore. Transactions in their Life Plus offices
- 4479 Agents under SBAs have qualified as MDRT in Membership Year 2020 as against 3624 in membership year 2019. There are 111 SBAs who got 5 or more agents qualified as MDRT this year.

## **LIC Associate (LICA)**

The LICA scheme was introduced from 01.04.2016 with an objective to introduce an innovative distribution channel and strengthening the distribution system by gainfully redeploying the valuable marketing talent of retired Senior Business Associates. The LICAs are empowered to appoint new agents and monitor the existing agents and procure new business from these agents besides collect renewal premium and proposal deposit through “BIMA CONNECT” offices run by them. LICAs have collected Rs. 790.84 crore. through 15.46 lac transactions in their Bima Connect offices during FY 2019-2020

As on 31.03.2020, there are 204 LICAs whose new business performance for the year 2019-2020 is as below:

Parameter	Policies	Single Premium (Rs in Cr)	Non Single Premium (Rs in Cr)	First Year Renewal Premium (Rs in Cr)	First Year Premium Income (Rs in Cr)
31.03.2020	2,57,774	275.80	278.74	59.41	613.95
% Growth	100.73	62.50	127.08	N/A	N/A
% Share in NB	1.18	1.26	1.50	0.56	1.20

## **Micro Insurance**

### A. Achievements:

	Policies	First Premium Income (Rs. In crore)	% share to total business (Policies)	A2B (NOP)	A2B (FPI)
Micro Insurance	859375	212.62	3.92	107.42	850.48

### Budget achievers:

NOP COUNT		FPI COUNT	
ZONE	A2B %	ZONE	A2B %
SCZ	193.01	SCZ	4771.44
NZ	106.41	WZ	170.23
WZ	101.96	CZ	145.96
CZ	100.12	ECZ	135.25
		NCZ	111.36

South Central Zone was the highest contributor with 301101 policies (35.04 % share to MI Business) and 190.86 cr. FPI (89.76% share to total FPI of MI vertical)

Total 48 Divisional Units have achieved their Annual Budget of Number of Policies and 61 Divisional Units have achieved their Annual Budget of FPI.

## B. MI Products:

Term Assurance Plans, LIC's Bhagya Lakshmi , LIC's New Jeevan Mangal and the Endowment Plan, LIC's Micro Bachat were available for sale through this vertical during the Financial Year.

### Product wise Distribution of Policies during the year:

Product	No. of Policies	FPI (cr.)
LIC's New Jeevan Mangal Plan 840	352931	4.80
LIC's New Jeevan Mangal Plan 940	42889	0.83
LIC's Bhagya Lakshmi Plan 839	114393	2.04
LIC's Bhagya Lakshmi Plan 939	7606	0.11
LIC's Micro Bachat Plan 851	207915	116.62
LIC's Micro Bachat Plan 951	133641	88.21

## C. New Initiatives:

### (i) Completion of LIC's Micro Bachat policies at Branch level:

Completion of LIC's Micro Bachat policies was decentralized to Branch level with effect from 05/10/2019. During the Financial Year, 44039 policies were completed at Branches, fetching an FPI of Rs.11.73 crore.

### (ii) Processes for on-line completion of Micro Insurance Policies:

On 6<sup>th</sup> March, 2020, Micro Insurance vertical has launched the processes for paperless on-line completion of MI policies, in partnership with Mahindra Insurance Brokers Ltd (MIBL). This new initiative by LIC is aimed at extending our digital reach to the financially weaker sections of the society and promoting the Financial Inclusion of these sections. During the pilot run in three Divisional Units, 41 policies have been completed through the on-line process in the month of March, 2020. We are also working on operationalising similar initiatives through Common Service Centres (CSC) and Vakrangee.

## D. Distribution Channel:

Micro Insurance policies are sold through a specialized distribution channel comprising of Non-Government Organizations (NGO), Self Help Groups (SHG), Micro Finance Institutions (MFI), Corporate Agents, select Conventional Agents, Brokers, District Cooperative Banks (DCB), Regional Rural Banks (RRB), Urban Cooperative Banks (UCB), Primary Agricultural Cooperative Societies (PACS), Other Cooperative Societies (CS), Banking Correspondents (BC) and Farmer Producer Companies (FPCs). There are 20908 MI Agents on roll as on 31.03.2020.

## **E. Premium Collection Channels:**

MI policyholders can deposit their renewal premium at the designated Premium Points and CSC outlets. As at 31.03.2020, there are 4147 Premium Points which cover all Branch areas of the Corporation.

Under 1570613 policies renewal premium has been collected through the Premium Points and CSC outlets which is 60.12% of total Renewal Premium transactions. Renewal Premium Collection at these portals in the F.Y 2019-20 has been Rs.36.91 crore showing a growth of 9.64 % over previous year. Total Renewal Premium collected by the channel in the year 2019-20 is Rs. 119.78 crore.

## **F. MI Bima Gram:**

In the F.Y. 2019-20, 409 villages were declared "Micro Insurance Bima Gram" under "Micro Insurance Bima Gram/Community" Scheme. The scheme envisages providing a financial incentive to a village for development activities on completion of a certain minimum number of new policies from that area, during the Financial Year.

## **Health Insurance**

During the Financial year 2019-20, LIC sold 2,82,563 Health Insurance Policies collecting a First premium income of ₹ 91.00 crore covering 3,13,491 lives. In all, 1,05,029 Agents have sold Health Insurance during the year.

Three Zones viz. East Zone, Central Zone & North Zone have achieved HI Budget on NOP.

15 Divisions have achieved HI Budget on both counts. In addition to this, 32 Divisions achieved the Budget on HI NOP and 2 on HI FP.

42 out of 112 Divisions (37.50%) showed positive growth on both the counts during the year.

2 Divisions viz. Ernakulam & Thrissur have crossed 6000 policy benchmark and another 4 Divisions namely Kozhikode, Secunderabad, Indore and Kottayam have crossed 5000 policies.

5 Divisions viz. Ernakulam, Thrissur, Kottayam, Kozhikode & Thane have crossed Rs. 2 Crore HI FP while another 24 Divisions have crossed Rs.1 Crore HI FP.

Ernakulam Division has achieved 5% of the policy budget through sale of HI policies.

464 Branches achieved HI Budget on both counts while 514 branches achieved HI NOP Budget and 44 other branches achieved HI FP Budget alone.

33 Branches have achieved 5% of the policy budget through sale of HI policies.

Currently, we are marketing two Health products viz., 'Jeevan Arogya' (Table No.904) & "LIC's Cancer Cover" (Table No.905), both non-linked Fixed Benefit Health Insurance Plans for Individuals.

During the year 2019-20, 14314 Health claims were settled and an amount of ₹ 50.12 crore was paid towards settlement of Health Insurance claims. 4208 maturity claims were settled for an amount of Rs.36.92 crore.

## **CUSTOMER RELATIONSHIP MANAGEMENT**

### **Customer Centric Initiatives**

#### **Call Center Services:**

LIC's Centralized Call Center became operational from 29<sup>th</sup> September, 2018. It uses a single number 022-68276827 which is operational 24x7 in Hindi and English .All policy status related enquiries are hooked up to the IVRS options.Customer Satisfaction Ratings on a scale of 1 – 5 for 2019-20 was at **4.40** on 31<sup>st</sup>March, 2020.

Premium payments : The WWW effect

Our CRM strategy has been to use software support and improve on our relationship with the customer . Specifically , the endeavour in the premium collection space is to deploy IT initiatives for ease of performing transactions and improve the customer experience .

A customer can pay premium **Wherever**, **Whenever** it falls due or in advance, through **Whichever** of the following options that he prefers to use:

1. **ONLINE THROUGH LIC CUSTOMER PORTAL:** renewal premium can be paid through net banking, wallets, UPI, Amex, Credit/Debit cards of VISA / Master Card / Diners / Rupay (Domestic Cards only). **This platform is enabled to accept renewal premium payment in advance .**
2. **Mobile Application:** Premium can be paid online using the LIC mobile app,Paytm app, PhonePe and GooglePay
3. **PREMIUM POINT AND LIFE PLUS CENTERS:** Premium can be paid in cash or cheque at premium points of authorized LIC agents and retired employees and at Life Plus offices of SBAs.
4. **BANKS:** premium can be paid in cash or cheque at any branch of IDBI Bank, and in cash or cheque drawn on collecting bank at any branch of City Union Bank and Axis Bank.
5. **NACH:** customer can contact the agent / servicing branch to avail the facility of auto debit from any Bank through a NACH mandate.
6. **BILL PAY OR EBPP:** customers can register for this facility of debit through the websites of Corporation Bank, ICICI Bank, Axis Bank, Federal Bank, Bill Desk, Tech Process and LIC Credit Card.
7. **FRANCHISEES:** Premium can be paid in cash at the collection centres of CSC e-governance, APT Online, MP Online or Suvidha Infoserve
8. **AUTOMATIC PREMIUM PAYMENT SERVICE (APPS) THROUGH LICMF:** Investors of LIC Mutual Funds can give standing instructions to LICMF for debit of LIC premium payments from their mutual funds account

All channels of premium payments are Free of Charges. The analysis of trends in digital premium payments indicates a surge in cashless and cardless transactionsthrough the payment gateways of the LIC customer portal and a proliferation through the PaytmApp,GooglePay and PhonePe etc. These gateways support UPI payments also.

The key driver for this shift in customer preferences is the manifold increase in Smartphone users and the convenience the digital medium provides. .

## **CUSTOMER ZONES**

Customer Zones have been created for specific purpose of ensuring immediate assistance in policy services to our valued customers at a single point of contact.

LIC Of India has 74 Customer Zones across the country at present. In some locations , these CZEEs function in shifts to ensure convenience of touch point services to customers during their off peak work hours.

Policy enquiry, SV/Revival/Loan Quotations, issue of premium paid certificate , validation of online requests for change in address and PAN validation for online customers,walk-in ,mail-in and phone -in customers and customers whose specific detailed queries are raised as tickets and escalated by the Call center executives Attending to LIC HELP SMS (call out to customers on receipt of SMS from them in LIC HELP SMS No.-9222492224)

The licindia.in website has a facility under “Help Us To Serve You Better “ which allows customers to update their contact details in policy records by keying in mobile number , email address . the updation of these requests is facilitated by the official at the CZEE which is mapped to the servicing branch of the customer and ensures a seamless updation within 24 hours.

## **Claims Dispute Redressal Committee**

The Corporation pioneered the initiative of introducing an internal review mechanism to give an opportunity to the claimant to appeal further, when a claim is repudiated by the Divisional Office. If the claim is repudiated, the claimant is explicitly informed about the grounds of repudiation and 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 Officers have been designated in all the offices of the Corporation, 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/Payment) - for conventional policies  
                                  Executive Director (Health) - for health insurance policies  
                                  Executive Director (P&GS) - for Group Insurance policies  
                                  Executive Director (Micro) - for Micro Insurance policies.  
                                  Executive Director (Marketing)  
                                  Executive Director (NB& Re)

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

### **Grievance Redressal Mechanism: For Group Insurance Policies**

Central Office- Executive Director (P&GS)

All Zonal Offices- Regional Managers (P&GS)

All Division Offices- Unit-In-Charge (P&GS)

### **Enterprise Document Management System (EDMS)**

The EDMS project was taken up in 2007 by LIC with an intention of providing a strong image repository of all policy dockets as well as Administrative and Agency documents, which facilitates viewing of images from anywhere with simultaneous access to more than one authorized user at different locations.

As on 31.03.2020, approx. 53 crore policy dockets and 29 crore Incremental documents have been scanned, i.e. 94.68% of policy dockets and 94.93% of Incremental documents.

The Premiere service user of Customer Portal can view the EDMS images of his / her policies through customer portal

### **Metropolitan Area Servicing Hub (MASH):**

MASH center is a back office operational unit for batch processing jobs like bulk printing and NACH administration, which do not need interaction with or physical presence of customers.

The main objectives of MASH center are

- 1) Taking on the printing load for the attached Branch Offices, ensuring allocation of more time and space for customer care.
- 2) Focused and efficient handling of printing and despatch as an outcome of batch processing .

25 MASH Centers are presently operational across the country.

### **SMS:**

CO-CRM / PROCESS Dept is sending more than 160 categories of SMSs to policy holders on various servicing and payment aspects. Apart from policyholders, SMSs are sent to Agents and Marketing Officials to enable alerts for communication with their customer base

In addition, New Year and LIC Day greetings were sent in English and Hindi to policyholders in the financial year 2019-20. Approximately 120 Crore SMSwere sent during the financial year 2019-20 to our valued customers.

### **Online Services for Portal users:**

The following Online Services are provided to the policyholders, who are registered on LIC's Customer Portal:

#### **A. Services available to the registered users:**

These are the users who have registered on Portal by providing basic details, without any KYC procedure. Following Basic Services are available to them:

- a. Payment of Renewal Premium/Loan interest/Loan repayment
- b. Premium Paid Certificate
- c. Online payment Receipt
- d. Policy Status/Loan Status/Claim status
- e. Revival Quotation
- f. Premium Calendar
- g. Policy Schedule

#### **B. Services for Premier Service users:**

These are the users who have registered for Premier Services and where KYC procedure has been completed. In addition to the Basic Services mentioned in [A] above, the Premier Service users can avail the following additional Online Services:

- a. Policy/Proposal images
- b. Claims History
- c. Registration of Online request for Loan
- d. Registration of Online request for Change of Address

### **ULIP**

CO (CRM/PROCESS/ULIP) was entrusted with centralization of ULIP operations. LIC has moved its ULIP operations from a decentralized set up to a new centralized set up in the year 2019-20. The existing in-force ULIP plan was migrated to the new set up on 14.08.2019 and thereafter newly launched three more plans are added to the centralized set up. This helps the organization to have better control over the entire operations pertaining to various aspects of a policy life cycle, starting from new business to claim settlement. To achieve this, a dedicated new high-end hardware system is also set up in the current year with successful migration from the old servers.

### **Information Technology**

LIC has been a pioneer in implementing latest trends in Information Technology and has always explored all the available avenues to provide the best of services to its valued customers and other stakeholders.

**Business Process Reengineering (BPR)** The IT/BPR Department manages provisioning of Computer Hardware, Network Management, Integrated Communications using Emails, SMS and Video Conferencing Solutions, Data to various user Departments for decision making as well as customer contact and lead generation and facilitate enhancing the Digital presence of LIC. Additionally, IT/BPR Department also takes care of implementation of IT Security including Anti-virus, IS audit and Business Process Re-engineering.

The salient features of IT Infrastructure in LIC managed by IT/BPR Department are:

1. A private cloud setup has been implemented with 150 TB Disk Capacity wherein more than 80 Virtual Machines have been provisioned.
2. Another Private Cloud for ULIP Centralised Setup (60TB Hard Disk) has also been implemented with 50 VMs.
3. Networking of all its Branches, Satellite Offices, Divisions and Zones through MPLS Links with two service providers to ensure redundancy. Network Monitoring System has been implemented with immediate automated alerts for reduced network downtime.
4. Use of Video Conferencing for meetings and conferences for Internal as well as external participants through Room Based setup and/or Internet.
5. Wi-Fi (Wireless LAN) for middle and senior management.
6. Network traffic encryption
7. Next Generation Firewall for Gateway Network Security. The VPN features of the firewall enables "Work from Home" as part of Network BCP.
8. DDoS Solution for all internet facing applications in helping withstand volumetric attacks.
9. SIEM (Security Information & Event Management) Solution for management and correlation of Security Logs, triggering of alerts pertaining to Security Events and facilitating the SOC operations.
10. 2FA FingerPrint Biometric Authentication system implemented for all employees in the Corporation.
11. SMS Gateway is being maintained through two vendors for OTP and Non-OTP messages.
12. Email Solution on Microsoft Exchange with larger mail boxes has been implemented.
13. Data Warehouse implemented in LIC has become the single source of information for all the Regulatory as well as Management Information Reports. CADW provides custom reports to users at CO/ZO/DO level thereby augmenting the Decision Support Systems. 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.
14. LIC is in the process of implementing various tools and technologies to comply with the '**Guidelines on information and cyber security for insurers**' prescribed by IRDAI to ensure that adequate systems and procedures are in place for ensuring that there is no leakage of information and information is shared only on need-to-know basis with emphasis on users awareness training on regular basis. LIC has also prepared a panel of Cert-In empanelled audit firms for conducting various information security audit related activities.

15. Various other activities carried out to ensure a secured IT environment in LIC including
  1. USB Ports Blocking for mass media devices
  2. Corporate Anti-Virus implemented on all endpoints
  3. Password Complexity implemented
  4. Screen Lockout after 10 Minutes of inactivity
  5. AD Account Lock for 30 Minutes after 5 unsuccessful attempts
  
16. LIC has procured online web scanning services for its various websites exposed over internet.
  
17. LIC is in the process of creation of Security Operations Centre (SOC) in Mumbai to identify, detect, assess, prevent, respond and recover to cyber security threats and incidents and to fulfill and assess regulatory compliance.

### **Software Development**

LIC has been a trailblazer in embracing technology for supporting its sales and servicing functions. The focus has now shifted to improving the online and digital presence in order to become customer-centric, improve pricing and create operational efficiencies.

LIC has a strong online presence and has provided digital platform for new business and servicing operations to both internal and external customers, including channel platforms like banks and other agencies. The Customer Portal system of LIC is designed to enhance the digital experience and provide online services to the customers. More than 1.40 crore users are registered on the Customer Portal covering nearly 3 crore policies and the average daily login count is in excess of 1 lakh users. Informational services like Product information, Plat brochures, Premium Calculator, Policy Status, Premium Calendar, LIC Office Locator, ULIP Statement, Loan and Claim Status are available on the Portal. Self service options like Online Premium Payment, Loan Repayment, Loan Interest Payment, Online Loan Request, Online Address Change, Advance Premium Payment, Grievance Registration, Online Service Request, Online Policy purchase etc. are also available through the Portal and Online Sale platforms. The Customer Mobile App, which is available on both Android and iOS, has more than 34 lakh users. MPIN based access to mobile applications is already in place for ease of use to the customers.

LIC has leveraged various digital platforms for electronic premium payments to provide a seamless experience to customers. PayTM (directly), PhonePe and GooglePay (through BillDesk) are some of the more recent modes that are available to our customers for premium payment digitally. Renewal premium collection transactions through the Portal infrastructure has reached an all-time high of 40.23 %. The share of collections made through the Portal infrastructure (Customer, Franchisee & Merchant Portals) to the total renewal premium collections is greater than the share of Branch Cash Counters.

In order to widen the reach of LIC to rural areas and to localities where branches are not available, more than 35000 Premium Points and Life Plus Offices have been enabled where customers can make premium payments and also obtain policy related information. Call center services and SMS-enabled Services like LICHELP & ASKLIC have been provided for the convenience of our customers.

LIC has launched a chatbot for the convenience of online visitors to the corporate website. The chatbot, named LIC Mitra, is capable of answering a variety of questions on the plans available for sale, servicing related queries and also premium payment enquiries. On an average, the chatbot is attending to over 18000 queries from nearly 5000 users every day

For customers who wish to purchase policies online, a mobile friendly web portal has been developed. This platform also supports the bancassurance channel for online registration and completion of policies.

The New Underwriting Application (NUA) has been launched during the year and also has provision for upload of documents to the EDMS system using mobile application. To cater to the needs of working from home, the NUA system is being enhanced to permit authorized agents to upload proposal images to the EDMS system using a mobile application.

A Pre-recruitment App for agents recruitment has been launched. The App, developed in-house has been successfully adopted by the field force. The App is also backed by the Agents Pre-recruitment Portal, which can be used by the officials who wish to do the recruitment related work on their personal computers or laptops. Existing agents are facilitated to carry out their sales and servicing operations using the Agents App.

LIC's in-house Core Insurance Package eFEAP (Enterprise Front End Application Package) has fully digitized the internal operations from New Business procurement to Claim Settlement. The Software is integrated with the SMS, Email Gateway and Enterprise Document Management System (EDMS) to facilitate servicing and information delivery to the Customers. A number of routine processes like generation of new business figures, accounts summary extraction, commission processing, generation of schedules etc. have been automated thereby reducing the need for human intervention at different points. The in-house COMIS system delivers real-time MIS and data analytics for aiding managerial decisions. Emails and SMS are extensively used to keep the customers/agents updated on the transactions and policy related information.

LIC is committed to embracing and integrating best practices and latest technology in its operations so as to enhance operational efficiency and deliver quality customer experience across different touchpoints.

### **PEOPLE'S MONEY FOR PEOPLE'S WELFARE**

The Life Insurance Corporation of India has been a nation builder since its formation in 1956. True to the objective of nationalization, the Corporation has mobilized the funds invested by the people in the life insurance for the benefit of the community at large.

The Corporation has deployed the funds to the best advantage of the policy holders as well as the community as a whole, true to the spirit of nationalization. National priorities and obligation of reasonable returns to the policyholders are the main criteria of our investments.

The total funds, so invested for the benefit of the community at large are Rs 30,69,942 crore as on 31<sup>st</sup> March 2020. The investment of the Corporation's funds is governed by Section 27A of the Insurance Act, 1938, subsequent guidelines/instructions issued from time to time by the Government of India and the IRDAI by way of regulations.

## INVESTMENT IN GOVT. & SOCIAL SECTOR

(Rs In  
Crore)

Type of Investment			
	31.03.2018	31.03.2019	31.03.2020
01 Central Government Securities	912251	1034828	1190288
02 State Government & Other Govt. Guaranteed Marketable Securities	784701	844251	929050
Sub-Total (A)	1696952	1879079	2119338
03 Housing & Infrastructure Investment			
(a) Housing	52405	54285	58474
(b) Power	116015	108154	111082
(c) Irrigation/ Water Supply & Sewerage	1768	1500	1297
(d) Road, Port & Bridges,Railways	56004	65620	76679
(e) Others (Incl. Telecom.)	32130	31468	34587
Sub- Total (B)	258322	261027	282119
Total A+B	1955274	2140106	2401457

### Investments made by Debt Section during the Financial Year 2019-20

Industry Sector	% to total Investment
Housing Sector	14.88%
Infrastructure Sector	54.08%
Other than Housing & Infrastructure Sector	31.04%

## **International Operations**

Life Insurance Corporation of India has its overseas operations in 14 countries through its Branch Offices, Joint Venture Companies and Wholly Owned Subsidiary.

Our offices are:

### **Branch Offices:**

Fiji Branch, Mauritius Branch and UK Branch

### **Joint Venture Companies:**

1. LIC (International) B.S.C (c) Bahrain: The Company operates in GCC countries of Bahrain, Qatar, Kuwait, U.A.E (Dubai & Abu Dhabi) and Oman.
2. LIC (Nepal) Ltd
3. LIC (Lanka) Ltd
4. Kenindia Assurance Co. Ltd
5. LIC (Bangladesh) Ltd

### **Wholly Owned Subsidiary:**

1. LIC (Singapore) Pte Ltd

- ❖ The collective business of all the foreign units during the FY 2019-2020 was 224626 policies with First Premium Income of INR 2366.34 Crore.
- ❖ LIC Fiji Branch is the market leader both in NOP & FPI in Fiji, with a market share of 63% and 62% in NOP and FPI respectively.
- ❖ LIC (Nepal) Ltd. is ranked second both in terms of NOP (10.68%) and FPI (17.94%) in Nepal.

## **Profile of Golden Jubilee Foundation**

Life Insurance Corporation of India is a Statutory Corporation established under Section 3 of LIC Act, 1956. LIC is always on the forefront in nation building activities. In order to give a formal shape to our Community Development initiatives, LIC Golden Jubilee Foundation Trust was established in the year 2006, which is registered with the Charity Commissioner under Bombay Public Trust Act 1950.

The objectives of the Foundation are relief of poverty or distress, advancement of education, medical relief and provision for any other object of general public utility. The Board of Trustees of the Foundation includes persons of repute contributing to the society through their various social initiatives.

The Foundation has supported projects ranging from construction of hospitals, school buildings and classrooms, libraries, computer centers, old age homes, hostel buildings for children in tribal areas, vocational training centers for differently abled persons, empowerment of women for livelihood generation etc so as to provide infrastructural facilities to needy persons in different pockets of the country.

GJF has disbursed funds to various projects spread across the country for various Community Development activities including education, healthcare, and other development activities through reputed charitable institutions (NGOs) which have been registered for at least three years and are engaged in doing charitable work for the poor and needy across the country, especially in rural and remote areas. We also extend a helping hand to people in places affected with natural calamities. We have provided aid to victims of floods in Chennai and in the State of Kerala and Odisha. We have provided funds to the tune of Rs 1.54 Cr for construction of 169 toilets in 113 Schools across the country under ‘Swachh Vidyalaya Abhiyan’ of Hon’ble Prime Minister. LIC GJF has also funded “Clean Ganga Abhiyan” as a part of environment protection project. LIC GJF has adopted the poorest village of Govindpur in Sonbhadra District of Uttar Pradesh for Health and Literacy campaign by providing an Ambulance and assistance in literacy initiatives. The Foundation is also funding construction of two Community Toilets with facilities for drinking water in Govindpur Village. LIC GJF has provided funds to Tata Memorial Hospital for treatment of children suffering from Cancer. It has also funded towards purchase of bus for transporting patients from Tata Memorial Hospital, Parel to their Research centre at Kharghar. Also funded to TMH- Homi Bhabha Cancer Hospital, Varanasi for Mobile Blood donation van. The Foundation has also funded Cochlear implant surgery for children from KEM Hospital, Pune.

During the COVID 19 pandemic which engulfed the entire world, LIC GJF has contributed Rs.5 Crores to PM CARES Fund and Rs.1 Crore to Chief Ministers Relief Fund and Rs.50 Lakhs to International Association of Human Values Disaster Relief Fund for COVID-19 relief.

**The highlight of this Foundation is that unlike other Community Development activities which are conducted either as one-time or at a single cluster of places, GJF Trust works round the year in a large variety of projects, spread across the country including very remote pockets.**

The details of the Projects sanctioned in the FY 2019-20 is

No. of projects	Amount Sanctioned ( Crs)
44	Rs. 15.13

The details of the projects and funds disbursed since inception as on 31.03.2020 for projects and Scholarship is follows.

No. of projects	Amount disbursed for Projects & Scholarship (Crs)
543	Rs. 127.16

**LIC Golden Jubilee Scholarship Scheme** is a unique example of Community Development activity wherein Scholarships are awarded to meritorious students from economically weaker sections of society so as to provide those students with better opportunities for higher education in the field of Engineering, Medicine, Arts/Science/Commerce, and Diploma Courses in any field and Vocational courses leading to immediate employment. Since inception of the scheme, total 17244 students have benefited from the scheme. Scholarships are awarded through a fair & transparent selection process. We have reintroduced the Scholarship Scheme as LIC GJF Scholarship 2019 and the scholarship amount is increased to Rs.20,000/- per student and also Special scholarship for Girl child of Rs.10,000/- is introduced to girl students for pursuing 10 + 2 education.

### **Office Services Department**

- As part of the Swachh Bharat Initiative of the Government of India, and with the good response to the Model Branch Concept, the Model Division Competition was launched last year to increase the awareness amongst employees for cleanliness of the environment and better ambience. Apart from the above competitions, cleanliness in offices is being regularly monitored and improved through the Ambience Poll conducted every quarter.
- Maintenance of some guesthouses in Mumbai have been outsourced for providing cleaner environment, better service and improved hospitality to the guests. This experiment will also be extended in a phased manner to guesthouses across the country. Further Instructions have also been issued to install ACs in all the guesthouses across the country.
- Continuing with the Government of India initiative of Government e-Marketplace (GeM), LIC offices are now registered on the GeM portal. Procurement of goods and services are being done regularly through GeM which ensures cost effectiveness and transparency.
- AS per CVC guidelines, quarterly meeting of Independent External Monitors (IEM) were held. All contracts above Rs 50 cr was discussed and reviewed by the IEMs Sh Kata Chandrahas and Sh GV Krishna Rau.
- One More Pension Option (OMPO) was introduced wef 23/04/2019. In all 12143 existing employees and 2227 Retirees have opted for pension under OMPO in the country.
- Security Manual has been approved by the Board in their meeting held on 20/03/2020 and has been uploaded on Jeevan Sanchar.
- Suvidha Multi-Utility cash card in collaboration with LIC of India, LIC Credit Cards Services Ltd and IDBI was launched by Chairman on 31st October,2019 in the presence of then Additional Secretary, DFS/MOF, Sh Debashish Panda and Chairman, IDBI Sh Rakesh Sharma.

### **Estates**

During the financial year 2019-20 total 4 plots were purchased. Out of which, 3 plots were purchased by South Zone and one by Eastern Zone. The total area is 66,856.97 sq. ft. and total cost involved is 12.50 crores.

The total basic rental income for the year 2019 -20 is Rs 360.25 crores (Provisional figure), as compared to

Rs.338.18 crore, the rent collected in the last financial year.

## **Management Development Centre**

Innovative Training of Manpower empowers the organization to challenge the competition by disrupting the status quo. MDC has been tasked with augmenting the competencies of Middle and Senior level Officers of the Corporation. Hence, MDC, which is an IS/ISO 9001:2015 certified training institution, has been conducting its activities keeping in mind both the Trainee Officers' expectations as well as the Globalised Competitive environment required to meet Corporate objectives.

This year training was imparted to 5991 Participants (3832 in-house and 2159 through video conferencing)

## **SUBSIDIARIES**

Subsidiaries Department was constituted in April 2019, to act as a liaison between the Corporation and its Subsidiaries and Associate Companies and facilitate action on identified points of synergy between them.

Subsidiaries Department is working towards

- Creating a common vision among all the subsidiaries to realise the dream of making LIC a global financial conglomerate,.
- Working as a nodal agency to co-ordinate, support and synergise with the subsidiaries.
- Providing support to higher management for analyzing data and reviewing the performance.
- Creating awareness about each other's strengths to leverage them for growth and prosperity
- Creating a single data base about the subsidiaries information for reference and use.

Life Insurance Corporation of India has following Subsidiaries, Associate Companies and step-down Subsidiaries:

### **Subsidiary Companies**

1. LIC Pension Fund Limited (100 per cent Wholly owned )
2. LIC Cards Services Limited (100 per cent Wholly owned )
3. IDBI Bank Limited (51 per cent)

IDBI Bank Limited Step Down Subsidiaries are:

- IDBI Intech Limited
- IDBI Capital Markets & Securities Limited
- IDBI Trusteeship Services Limited
- IDBI Asset Management Limited
- National Securities Depository Limited
- Biotech Consortium India Limited
- North Eastern Development Finance Corporation Limited
- Pondicherry Industrial Promotion Development And Investment Corporation Limited

## **Associate Companies**

1) LIC Housing Finance Limited (40.31 per cent)

LIC Housing Finance Limited Step Down Subsidiaries are :

- LICHFL Care Homes Limited
- LICHFL Financial Services Limited
- LICHFL Asset Management Company Limited

2) LIC Mutual Fund Asset Management Company Limited (45 per cent)

The companies promoted by LIC of India have made significant mark in their respective segments.

## **ENGINEERING DEPARTMENT**

- LIC of India has completed 3 Divisional offices (Satna, Srinagar, DO II Jaipur), 9 Branch Offices, 29 Quarters ( in 5 locations) in FY 19-20.
- All Zonal Engineering departments and Central Office, Engineering Department are ISO 9001:2015 certified.
- Aqua Foundation's Excellence Award was won by the Corporation for installation of Rain Water Harvesting.
- LIC of India with a view, to promote renewable and clean energy for sustainable development has as a whole, total Installation of Solar PV was 2014 KWp till 31.03.2019. In the current financial year 50 KWp capacity has been added and work is in progress for another 1415 KWp .
- Constructions of DO at Bhubaneswar and 10 BO's are in progress .
- Modernization of DO II Jaipur Completed & Modernization of 6 DO's (Srinagar , Mysore, KMDO I, Indore , Satna and Sambalpur ) are in progress.
- Work is in progress for STC at Warangal and tender has been invited for STC Bareilly.
- Tender opened for major investment buildings at the following location are underway
  1. Ludhiana:- 3 Basement + Ground Floor + 10 Floors (BUA 7.09 lakh sqft )
  2. GIFT CITY Gandhinagar-2 Basement +20 Floors (BUA : 2.17 lakh sqft)
  3. EM bye pass road Kolkata.- 2 Basement + Ground Floor + 19 Floors. (BUA 7.79 lakhs sqft )
- Tender has been invited for Redevelopment of MDC Borivali with the following features:
  1. Training centre- 1 Basement + Ground Floor + 2 Floors (BUA 1.49 lakhs sqft )
  2. Hostel block -1 Basement + Ground Floor + 11 Floors (BUA 1.37 lakhs sqft )
  3. Faculty Quartes -120 nos approx
  4. Directors bungalow -Ground+1 Floors
- Tender has been invited for Redevelopment of Jeevan Shanti Colony, Vile Parle, Mumbai ( Total 812 quarters)



# Awards & Accolades 2019-20



**Business Today & Money Today  
Financial Awards Best Life  
Insurance Provider of the year**



**BTV's National Award  
for Marketing  
Excellence**



**Economic Times Insurance  
Awards-Amiable Award**



**Economic Times Insurance  
Awards-Special Jury  
Recognition Award**



**Outlook Money Awards  
Life Insurance Provider of  
the year**



**ET Now Presents World BFSI  
Congress & Awards-Claims  
service of the Year Award**



**ET Now Presents World BFSI  
Congress & Awards-Life  
Insurance Company of the year**



**IAA Leadership Awards  
2019**



**BFSI Congress - Customer  
Centric Excellence Award**



**IBC Media-India's Most  
Trusted Brand Award**



**Aashirwaad Awards for OLI**



**Indian Achievers Forum Award  
'Best Indian Insurance Company' Award**



**Aqua Foundation award**



**CMO Confluence Awards**



**WPP Brands Most Valuable  
Indian Brand 2019**



**BFSI Congress - 14th Indy's Best  
House Magazine Award**



**FICCI Insurance Industry  
Awards 2019**



**Dhanam BFSI Awards  
'Best Life Insurance Company  
of the year'**



**Dun & Bradstreet India's  
Top PSU Award**

