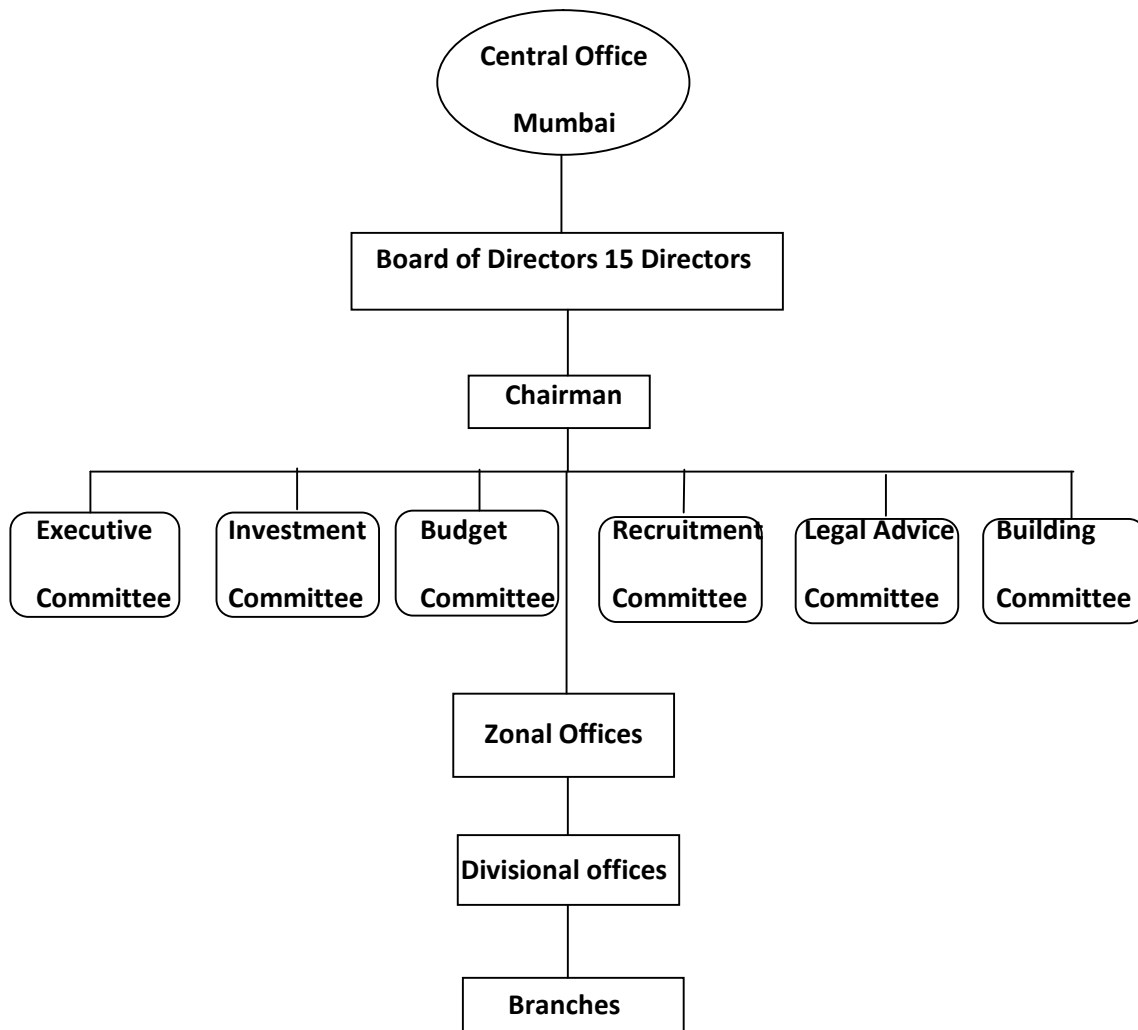


Life Insurance Corporation of India (L.I.C.)

Formation: Life Insurance Corporation of India was formed on 19th January, 1956. Government of India nationalized 245 private insurance companies by passing an ordinance and established LIC of India as per LIC Act of 1956. LIC was a monopoly in the life insurance business in India for the last many years. Private companies were not allowed to carry life insurance business in India.

Objectives: The objectives of LIC were: (1) To minimize the malpractices in the insurance business. (2) To develop the insurance business in India (3) To develop savings habit among the people of India and (4) To use such savings for the national development.

Organization: LIC is a government owned company established as per the LIC Act of 1956. It is an autonomous institution. Its working is done as per this Act. Its head office is in Mumbai and it has five regional offices at Mumbai, Delhi, Kolkata, Chennai, and Kanpur. The organization structure of LIC consists of three levels. At the top level there is central committee at the middle level there are regional (Zonal) boards at the lower level there are divisional boards. Following diagram shows the organizational structure of LIC:



Management: The top management of LIC consists of 15 members appointed by the Central Government. One of these members is appointed as Chairman of the Management Board. Policy decisions are made by top management at the head office. Management of LIC is done with the help of following committees:

1. Executive Committee:
2. Investment Committee
3. Budget Committee
4. Recruitment Committee
5. Legal Advice Committee
6. Building Committee
7. Development Committee

