CHAPTER 1

INTRODUCTION
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The word stress is derived from the Latin word "stringi", which means, "to be drawn tight". Stress is a feeling experienced when a person thinks that "the demands exceed the personal and social resources the individual is able to mobilize."

Stress is a common problem across occupations and it impacts job performance. Although most contemporary studies highlight the negative effect of stress on job performance (distress), mild stress is known to enhance an employee's performance (eustress).

Research in organizational behavior has shown that an individual could suffer from significant health complications - backaches, headaches, gastrointestinal disturbances, anxiety and depression amongst others - if subjected to stress over a long time. Behavioral changes in the form of excessive tobacco smoking and alcohol consumption, nervous disorders, heart diseases, diabetes, obesity etc are also related to stress. Job dissatisfaction is known to lead to job stress, which in turn reduces the productivity (Madeline, 1983).

Over the years, a lot of research has been carried out in the realm of work place stress and it has been emphatically proven that intense or prolonged stress leads to a negative impact on one's mental and physical well being. Even though a fair degree of stress may be felt in all occupations, some work places have been known to experience more stress compared to others.
Definition:

Hans Selye was one of the founding fathers of stress research. His view in 1956 was that “stress is not necessarily something bad – it all depends on how you take it. The stress of exhilarating, creative successful work is beneficial, while that of failure, humiliation or infection is detrimental.” Selye believed that the biochemical effects of stress would be experienced irrespective of whether the situation was positive or negative. Since then, a great deal of further research has been conducted, and ideas have moved on. Stress is now viewed as a "bad thing", with a range of harmful biochemical and long-term effects. These effects have rarely been observed in positive situations. The most commonly accepted definition of stress (mainly attributed to Richard S Lazarus) is that stress is a condition or feeling experienced when a person perceives that demands exceed the personal and social resources the individual is able to mobilize.”

In short, it’s what we feel when we think we’ve lost control of events. This is the main definition used by this section of Mind Tools, although we also recognize that there is an intertwined instinctive stress response to unexpected events. The stress response inside us is therefore part instinct and part to do with the way we think. Stress is a measure of the average amount of force applied per unit area. It is a measure of the intensity of the total internal forces acting within a body across imaginary internal surfaces, as a reaction to external applied forces and body forces. It was introduced into the theory of elasticity by Cauchy around 1822. Stress is a concept that is based on the concept of continuum. In general, stress is expressed as Where Is the average stress, also called engineering or nominal stress and is the force acting over the area.

In the most severe cases it can lead to panic attacks or a panic disorder. There are various methods to control chronic stress, including exercise, healthy diet, stress management, relaxation techniques, adequate rest, and relaxing hobbies.
Ensuring a healthy diet containing magnesium may help control or eliminate stress, in those individuals with lower levels of magnesium or those who have a magnesium deficiency. Chronic stress can also lead to a magnesium deficiency.

Rehearsed enough? If you have done all of these, you've done as much as you can to give a good performance.

Worries about performance during rehearsal:

If some of your practice was less than perfect, then remind yourself that the purpose of the practice is to identify areas for improvement, so that these can be sorted out before the performance.

Problems with issues outside your control:

Have you identified the risks of these things happening, and have you taken steps to reduce the likelihood of them happening or their impact if they do? What will you do if they occur? And what do you need others to do for you?

Tips: Don't make the mistake of generalizing a single incident. OK, you made a mistake at work, but that doesn't mean you're bad at your job. Similarly, make sure you take the long view about incidents that you're finding stressful. Just because you're finding these new responsibilities stressful now, doesn't mean that they will ALWAYS be so for you in the future. Think how you
would challenge these thoughts. When you challenge negative thoughts rationally, you should be able to see quickly whether the thoughts are wrong or whether they have some substance to them. Where there is some substance, take appropriate action. However, make sure that your negative thoughts are genuinely important to achieving your goals, and don't just reflect a lack of experience, which everyone has to go through at some stage.

Positive Thinking & Opportunity Seeking:

By now, you should already be feeling more positive. The final step is to positive thoughts and affirmations to counter any remaining negativity. It can also be useful to look at the situation and see if there are any useful opportunities that are offered by it. By basing your affirmations on the rational assessments of facts that you made using Rational Thinking, you can use them to undo the damage that negative thinking may have done to your self-confidence.

Tips:

Your affirmations will be strongest if they are specific, are expressed in the present tense and have strong emotional content. Continuing the examples above, positive affirmations might be.

Phrases during practice:

I have learned from my rehearsals. This has put me in a position where I can deliver a great performance. I am going to perform well and enjoy the event.

Worries about performance:

I have prepared well and rehearsed thoroughly. I am well positioned to give an excellent performance.

Phrases issues outside your control:

I have thought through everything that might reasonably happen and have planned how I can handle all likely contingencies. I am very well placed to react flexibly to events.
Worry about other people’s reaction:

Fear people will react well to a good performance. I will rise above any unfair criticism in a mature and professional way. "If appropriate, write these affirmations down on your worksheet so that you can use them when you need them. As well as allowing you to structure useful affirmations, part of Positive Thinking is to look at opportunities that the situation might offer to you. In the examples above, successfully overcoming the situations causing the original negative thinking will open up opportunities. You will acquire new skills, you will be seen as someone who can handle difficult challenges, and you may open up new courier opportunities. Increase and decrease of the stress level. Those who mind about their colleague’s opinion are found to be more stressful.

DISTRESS v/s EUTRESS

There are different types of stress, good and bad. Most people think that stress is always bad. Nothing can be far from truth! A little stress is absolutely necessary for our survival in this highly competitive world. Thus, we can classify stress into two groups the good stress or 'eustress' or the bad stress or 'distress'.

Most of the studies pay a lot of importance to the negative side of stress, i.e. distress which is just one aspect of stress. However, some studies have shown that if one can manage stress effectively, it can lead to a positive outcome and response. Stress is a part and parcel of life and cannot be avoided. However, if used in a gainful way, stress can lead to beneficial outcomes too.

Work Performance:

According to Porter and Lawler (1968), there are three types of performance. One is the measure of output rates, amount of sales over a given period of time, the production of a group of
employees reporting to manager, and so on. The second type of measure of performance involves ratings of individuals by someone other than the person whose performance is being considered. The third type of performance measures is self-appraisal and self-ratings. As a result, the adoption of self-appraisal and self-rating techniques are useful in encouraging employees to take an active role in setting his or her own goals. Thus, job performance measures the level of achievement of business and social objectives and responsibilities from the perspective of the judging party (Hersey and Blanchard, 1993).

Figure 1: Conceptual framework
Relationship between Stress and Work Performance:

Various studies have been conducted to examine the relationship between job stress and job performance. Job performance can be viewed as an activity in which an individual is able to accomplish the task assigned to him/her successfully, subject to the normal constraints of reasonable utilization of the available resources. At a conceptual level, four types of relationships were proposed to exist between the measures of job stress and job performance (Jamal M, 2007).

One is a negative linear relationship, when productivity decreases with stress (distress). Productivity can also increase as a consequence of stress, thereby implying a positive linear relationship between the two. Thirdly, there could be a U-shaped or a curvilinear relationship wherein, mild stress could increase the productivity initially up to a peak and then it declines as the person descends into a state of distress. Alternately, there need not be any quantifiable relationship between the two.

TYPES OF STRESS:

**Mechanical Stress:** (physics), the average amount of force exerted per unit area.

**Yield stress:** the stress at which a material begins to deform plastically.

**Compressive stress:** the stress applied to materials resulting in their compaction.

**Biological Stress:** (biological), physiological or psychological stress; some types include:

**Chronic stress:** persistent stress which can lead to illness and mental disorder Eustress, positive stress that can lead to improved long-term functioning

**Workplace stress:** stress caused by employment Music Accent (music).Stress (band), an early ’80s melodic rock band from San Diego. Stress (punk band), an early ’80s punk rock band from Athens. Stress (Neo-Psychedelic band), from the late 1980’s. Stress, a song by the French band Justice on their debut album.
Acute Stress: Acute stress is the most common form of stress. It comes from demands and pressures of the recent past and anticipated demands and pressures of the near future. Acute stress is thrilling and exciting in small doses, but too much is exhausting. A fast run down a challenging ski slope, for example, is exhilarating early in the day. That same ski run late in the day is taxing and wearing. Skiing beyond your limits can lead to falls and broken bones. By the same token, overdoing on short-term stress can lead to psychological distress, tension headaches, upset stomach, and other symptoms.

Physical Stress: intense exertion, manual labor, lack of sleep, travel

Chemical Stress: drugs, alcohol, caffeine, nicotine and environmental pollutants such as cleaning chemicals or pesticides

Mental Stress: perfectionism, worry, anxiety, long work hours

Emotional Stress: anger, guilt, loneliness, sadness, fear

Nutritional Stress: food allergies, vitamin and mineral deficiency

Traumatic Stress: injuries or burns, surgery, illness, infections, extreme temperatures

Psychospiritual Stress: troubled relationships, financial or career pressures, challenges with life goals, spiritual alignment and general state of happiness

POTENTIAL SOURCES OF WORKPLACE STRESS

For most people, work is a significant and meaningful feature of life with the majority spending around 25% of their adult lives working. While work can provide the individual with structure, purpose, satisfaction, self-esteem and spending power, the workplace can also be a setting for stress and worry. Research findings show that the most stressful type of work is that which places excessive demands and pressure on the worker, which does not map to his/her knowledge and abilities, where there is little opportunity to exercise any choice or control over, and where
there is little support from others. As discussed previously, stressors are the conditions that precede and bring stress, Kreutzer et al. (1999:506) defines the concept of ‘stressor’, as a prerequisite for the stress response. From an organizational stress perspective, there are four major types of stressors, namely individual, group, organizational and extra organizational. Most of the causes of work stress concern the way work is designed and the way in which organizations are managed. These aspects of work have the potential for causing harm and are therefore termed stress-related hazards’. Lena, Griffiths and Cox identified nine categories of stress-related hazards, namely work content, work load and work pace, working hours, participation and control, career development, status and pay, role in the organization, interpersonal relationship, organizational culture and home work interface, which calls for closer opportunity to exercise any choice or control over, and where there is little support from others.

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CAUSES OF STRESS:

- Monotonous, under-stimulating, meaningless tasks.
- Lack of variety.
- Unpleasant tasks.

Workload and work pace
- Having too much or too little to do.
- Working under time pressures.

Working hours
- Strict and inflexible working schedules.
- Long and unsocial hours.
- Unpredictable working hours.
- Badly designed shift systems.

Participation and Control
- Lack of participation and decision making.
- Lack of control (for example over work methods, work pace, working hours

At the work environment

Career development, status and pay
- Job insecurity.
- Lack of promotion prospects.
- Under-promotion or over-promotion.
- Work of ‘low social value’.
- Inadequate payment schemes.
- Unclear or unfair performance evaluation systems.
- Being over-skilled or under-skilled for the job.

**Role in the organization**
- Unclear role.
- Conflicting roles within the same job.
- Responsibility for people.
- Continuously dealing with other people and their problems.

**Interpersonal relationships**
- Inadequate, inconsiderate or unsupportive supervision.
- Poor relationships with co-workers.
- Bullying, harassment and violence.
- Isolated or solitary work.
- No agreed procedures for dealing with problems or complaints.

**Organizational culture**
- Poor communication.
- Poor leadership.
- Lack of clarity about organizational objectives and structure.

**Home-work interface**
- Conflicting demands of work and home.
- Lack of support for domestic problems at work.
- Lack of support for work problems at home.
How to Reduce Stress:

1. **Recognize warning signs of excessive stress at work:**

   When you feel overwhelmed at work, you lose confidence and may become irritable or withdrawn. This can make you less productive and less effective in your job, and make the work seem less rewarding. If you ignore the warning signs of work stress, they can lead to bigger problems. Beyond interfering with job performance and satisfaction, chronic or intense stress can also lead to physical and emotional health problems.

   **Common causes of excessive workplace stress:**
   - Fear of being laid off
   - More overtime due to staff cutbacks
   - Pressure to perform to meet rising expectations but with no increase in job satisfaction
   - Pressure to work at optimum levels – all the time!

2. **Reduce job stress by take care of yourself:**

   When stress at work interferes with your ability to perform in your job, manage your personal life, or adversely impacts your health, it’s time to take action. Start by paying attention to your physical and emotional health. When your own needs are taken care of, you’re stronger and more resilient to stress. The better you feel, the better equipped you’ll be to manage work stress without becoming overwhelmed.

   Taking care of you doesn’t require a total lifestyle overhaul. Even small things can lift your mood, increase your energy, and make you feel like you’re back in the driver’s seat. Take things
one step at a time, and as you make more positive lifestyle choices, you’ll soon notice a reduction in your stress levels, both at home and at work.

3. Reduce job stress by prioritizing and organizing:

Workplace and workplace stress threatens to overwhelm you, there are simple steps you can take to maintain control over yourself and the situation. Your newfound ability to maintain a sense of self-control in stressful situations will often be well-received by coworkers, managers, and subordinates alike, which can lead to better relationships at work. Here are some suggestions for reducing job stress by prioritizing and organizing your responsibilities.

4. Time management tips for reducing job stress:

Create a balanced schedule. Analyze your schedule, responsibilities, and daily tasks. All work and no play is a recipe for burnout. Try to find a balance between work and family life, social activities and solitary pursuits, daily responsibilities and downtime.

Don’t over-commit yourself. Avoid scheduling things back-to-back or trying to fit too much into one day. All too often, we underestimate how long things will take. If you’ve got too much on your plate, distinguish between the "shoulds" and the "musts." Drop tasks that aren’t really necessary to the bottom of the list or eliminate them entirely.

Try to leave earlier in the morning: Even 10-15 minutes can make the difference between frantically rushing to your desk and having time to ease into your day. Don’t add to your stress levels by running late.

Plan regular breaks: Make sure to take short breaks throughout the day to take a walk or sit back and clear your mind. Also try to get away from your desk or work station for lunch.
Stepping away from work to briefly relax and recharge will help you be more, not less, productive.

5. Task management tips for reducing job stress

Prioritize tasks. Make a list of tasks you have to do, and tackle them in order of importance. Do the high-priority items first. If you have something particularly unpleasant to do, get it over with early. The rest of your day will be more pleasant as a result.

Break projects into small steps. If a large project seems overwhelming, make a step-by-step plan. Focus on one manageable step at a time, rather than taking on everything at once.

Delegate responsibility. You don’t have to do it all yourself. If other people can take care of the task, why not let them? Let go of the desire to control or oversee every little step. You’ll be letting go of unnecessary stress in the process.

Be willing to compromise. When you ask someone to contribute differently to a task, revise a deadline, or change their behavior at work, be willing to do the same. Sometimes, if you can both bend a little, you’ll be able to find a happy middle ground that reduces the stress levels for everyone concerned.

6. Reduce job stress by improving emotional intelligence:

Even if you’re in a job where the environment has grown increasingly stressful, you can retain a large measure of self-control and self-confidence by understanding and practicing emotional intelligence. Emotional intelligence is the ability to manage and use your emotions in positive and constructive ways. When it comes to satisfaction and success at work, emotional intelligence matters just as much as intellectual ability. Emotional intelligence is about communicating with
others in ways that draw people to you, overcome differences, repair wounded feelings, and
defuse tension and stress.

7. Emotional intelligence in the workplace:

Emotional intelligence in the workplace has four major components:

Self-awareness – The ability to recognize your emotions and their impact while using gut
feelings to guide your decisions.

Self-management – The ability to control your emotions and behavior and adapt to changing
circumstances.

Social awareness – The ability to sense, understands, and reacts to other's emotions and feels
comfortable socially.

Relationship management – The ability to inspire, influences, and connects to others and
manages conflict.

8. Reduce job stress by breaking bad habits:

As you learn to manage your job stress and improve your work relationships, you’ll have more
control over your ability to think clearly and act appropriately. You will be able to break habits
that add to your stress at work – and you’ll even be able to change negative ways of thinking
about things that only add to your stress.

9. Learn how manager’s employers can reduce job stress:

It’s in a manager's best interest to keep stress levels in the workplace to a minimum. Managers
can act as positive role models, especially in times of high stress, by following the tips outlined
in this article. If a respected manager can remain calm in stressful work situations, it is much
easier for his or her employees to also remain calm.
Additionally, there are a number of organizational changes that managers and employers can make to reduce workplace stress. These include:

**III. Improve communication**

- Share information with employees to reduce uncertainty about their jobs and futures.
- Clearly define employees’ roles and responsibilities.
- Make communication friendly and efficient, not mean-spirited or petty.

**IV. Consult your employees**

- Give workers opportunities to participate in decisions that affect their jobs.
- Consult employees about scheduling and work rules.
- Be sure the workload is suitable to employees’ abilities and resources; avoid unrealistic deadlines.
- Show that individual workers are valued.
- Offer rewards and incentives.
- Praise good work performance, both verbally and officially, through schemes such as Employee of the Month.
- Provide opportunities for career development.
- Promote an “entrepreneurial” work climate that gives employees more control over their work.

**V. Cultivate a friendly social climate**

- Provide opportunities for social interaction among employees.
- Establish a zero-tolerance policy for harassment.
- Make management actions consistent with organizational values.
INDUSTRY PROFILE:

The story of insurance is probably as old as the story of mankind. The same instinct that prompts modern businessmen today to secure themselves against loss and disaster existed in primitive times also. They too sought to avert the evil consequences of fire and flood and loss of life and were willing to make some sort of sacrifice in order to achieve security. Though the concept of insurance is largely a development of the recent past, particularly after the industrial era – past centuries – yet its beginnings date back almost 6000 years.

Life Insurance in its modern form came to India from England in the year 1818. Oriental Life Insurance Company started by Europeans in Calcutta was the first life insurance company on Indian Soil. All the insurance companies established during that period were brought up with the sole purpose of looking after the needs of European community and Indian natives were not being catered by these companies. However, later with the efforts of eminent people like Babu Birla and Seal, the foreign life insurance companies started insuring Indian lives. But Indian lives were being treated as sub-standard lives and heavy extra premiums were being charged on them.

The Bay Mutual Life Assurance Society heralded the birth of first Indian life insurance company in the year 1870, and covered Indian lives at normal rates. Starting as Indian enterprise with highly patriotic motives, insurance companies came into existence to carry the message of peace and social security through insurance to various sectors of society. Bharat Insurance Company (1896) was also one of such companies inspired by nationalism. The Swadeshi Movement of 1905-1907 gave rise to more insurance companies. The United India in Madras, Indian and National Insurance in Calcutta and the Co-operative Assurance at Lahore established in 1906. In 1907, Hindustan Co-operative Insurance Company took its birth in the rooms of the Jorasanko, house of the great poet Rabindranath Tagore, in Calcutta. The
Indian Mercantile, General Assurance and Swadeshi Life (later Bombay Life) were some of the companies established during the same period. Prior to 1912 India had no legislation to regulate insurance business. In the year 1912, the Life Insurance Companies Act, and the Provident Fund Act were passed. The Life Insurance Companies Act, 1912 made it necessary that the premium rate tables and periodical valuations of companies should be certified by an actuary.

The first two decades of the twentieth century saw lot of growth in insurance business. From 44 companies with total business-in-force as Rs.22.44 crore, it rose to 176 companies with total business-in-force as Rs.298 crore in 1938. During the mushrooming of insurance companies many financially unsound concerns were also floated which failed miserably. The Insurance Act 1938 was the first legislation governing not only life insurance but also non-life insurance to provide strict state control over insurance business.

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the ownership too by means of a comprehensive bill. The Parliament of India passed the Life Insurance Corporation Act on the 19th of June 1956, and the Life Insurance Corporation of India was created on 1st September, 1956, with the objective of spreading life insurance much 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. Office in the year 1956. Since life insurance contracts are long term contracts and during the currency of the policy it requires a variety of services need was felt in the later years to expand the operations and place a branch office at each district headquarter. Re-organization of LIC took place and large numbers of new branch offices were opened. As a result of re-organisation servicing functions were transferred to the branches, and branches were made accounting units. It worked wonders with the performance of the corporation. It may be seen that from about 200.00 crores of New Business in 1957 the corporation crossed 1000.00 crores only in the year 1969-70, and it took another 10 years for LIC to cross 2000.00 crore mark of new business. But with re-organisation happening in the early eighties, by 1985-86 LIC had already crossed 7000.00 crore Sum Assured on new policies. From then to now, LIC has crossed many milestones and has set unprecedented performance records in various aspects of life insurance business. The same motives which inspired our forefathers to bring insurance into existence in this country inspire us at LIC to take this message of protection to light the lamps of security in as many homes as possible and to help the people in providing security to their families.
Some of the important milestones in the life insurance business in India are:

1910: Oriental Life Insurance Company, the first life insurance company on Indian soil started functioning.

1917: Bombay Mutual Life Assurance Society, the first Indian life insurance company started its business.

1912: The Indian Life Assurance Companies Act enacted as the first statute to regulate the life insurance business.

1928: The Indian Insurance Companies Act enacted to enable the government to collect statistical information about both life and non-life insurance businesses.

1938: Earlier legislation consolidated and amended to by the Insurance Act with the objective of protecting the interests of the insuring public.

1956: 245 Indian and foreign insurers and provident societies are taken over by the central government and nationalized. LIC formed by an Act of Parliament, viz. LIC Act, 1956, with a capital contribution of Rs. 5 crores from the Government of India.

The General insurance business in India, on the other hand, can trace its roots to the Triton Insurance Company Ltd., the first general insurance company established in the year 1850 in Calcutta by the British.

Today LIC functions with 2048 fully computerized branch offices, 109 divisional offices, 8 zonal offices, 992 satellite offices and the Corporate office. LIC’s Wide Area Network covers
divisional offices and connects all the branches through a Metro Area Network. LIC has tied up with some Banks and Service providers to offer on-line premium collection facility in selected cities. LIC's ECS and ATM premium payment facility is an addition to customer convenience. 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. LIC has issued over one crore policies during the current year. It has crossed the milestone of issuing 1,01,32,955 new policies by 15th Oct, 2005, posting a healthy growth rate of 16.67% over the corresponding period of the previous year.

The Insurance sector in India is governed by Insurance Act, 1938, the Life Insurance Corporation Act, 1956 and General Insurance Business (Nationalisation) Act, 1972, Insurance Regulatory and Development Authority (IRDA) Act, 1999 and other related Acts. With such a large population and the untapped market area of this population Insurance happens to be a very big opportunity in India. Today it stands as a business growing at the rate of 15-20 per cent annually. Together with banking services, it adds about 7 per cent to the country's GDP. In spite of all this growth, the statistics of the penetration of the insurance in the country is very poor. Nearly 80% of Indian populations are without Life insurance cover and the Health insurance. This is an indicator that growth potential for the insurance sector is immense in India. It was due to this immense growth that the regulations were introduced in the insurance sector and in continuation "Malhotra Committee" was constituted by the government in 1993 to examine the various aspects of the industry. The key element of the reform process was Participation of overseas insurance companies with 26% capital. Creating a more efficient and competitive financial system suitable for the requirements of the economy was the main idea behind this reform.
Insurance has a long history in India. Life Insurance in its current form was introduced in 1818 when Oriental Life Insurance Company began its operations in India. General Insurance was however a comparatively late entrant in 1850 when Triton Insurance Company set up its base in Kolkata. History of Insurance in India can be broadly bifurcated into three eras: a) Pre Nationalization b) Nationalization and c) Post Nationalization. Life Insurance was the first to be nationalized in 1956. Life Insurance Corporation of India was formed by consolidating the operations of various insurance companies. General Insurance followed suit and was nationalized in 1973. General Insurance Corporation of India was set up as the controlling body with New India, United India, National and Oriental as its subsidiaries.

There are now 29 insurance companies operating in the Indian market – 14 private life insurers, nine private non-life insurers and six public sector companies. With many more joint ventures in the offing, the insurance industry in India today stands at a crossroads as competition intensifies and companies prepare survival strategies in a detariffed scenario.

There is pressure from both within the country and outside on the Government to increase the foreign direct investment (FDI) limit from the current 26% to 49%, which would help JV partners to bring in funds for expansion.

IMPACTS OF INSURANCE POLICIES:

Insurance provides compensation to a person for an anticipated loss to his life, business or an asset. Insurance is broadly classified into two parts covering different types of risks:

Long-term Insurance: Insurance against risk to one's life is covered under ordinary life insurance. Ordinary life assurance can be further classified into following types:
Types of Ordinary Life Assurance

**Whole Life Assurance:** In whole life assurance, insurance company collects premium from the insured for whole life or till the time of his retirement and pays claim to the family of the insured only after his death.

**Endowment Assurance:** In case of endowment assurance, the term of policy is defined for a specified period say 15, 20, 25 or 30 years. The insurance company pays the claim to the family of assured in an event of his death within the policy's term or in an event of the assured surviving the policy's term.

**Assurances for Children:** Child's Deferred Assurance: Under this policy, claim by insurance company is paid on the option date which is calculated to coincide with the child's eighteenth or twenty first birthdays. In case the parent survives till option date, policy may either be continued or payment may be claimed on the same date. However, if the parent dies before the option date, the policy remains continued until the option date without any need for payment of premiums. If the child dies before the option date, the parent receives back all premiums paid to the insurance company.

**Term Assurance:** The basic feature of term assurance plans is that they provide death risk-cover. Term assurance policies are only for a limited time, claim for which is paid to the family of the assured only when he dies. In case the assured survives the term of policy, no claim is paid to the assured.

**Annuities:** Annuities are just opposite to life insurance. A person entering into an annuity contract agrees to pay a specified sum of capital (lump sum or by installments) to the insurer. The insurer in return promises to pay the insured a series of payments until insured's death.
**General Insurance:**

**Fire Insurance:** Fire insurance provides protection against damage to property caused by accidents due to fire, lightening or explosion, whereby the explosion is caused by boilers not being used for industrial purposes. Figure insurance also includes damage caused due to other perils like storm tempest or flood; burst pipes; earthquake; aircraft; riot, civil commotion; malicious damage; explosion; impact.

**Marine Insurance:** Marine insurance basically covers three risk areas, namely, hull, cargo and freight. The risks which these areas are exposed to are collectively known as "Perils of the Sea". These perils include theft, fire, collision etc.

**Marine Cargo:** Marine cargo policy provides protection to the goods loaded on a ship against all perils between the departure and arrival warehouse. Therefore, marine cargo covers carriage of goods by sea as well as transportation of goods by land.

**Marine Hull:** Marine hull policy provides protection against damage to ship caused due to the perils of the sea. Marine hull policy covers three-fourth of the liability of the hull owner (ship owner) against loss due to collisions at sea.

Favorable economic environment...

GDP growth fastest amongst the world. Asia’s 4 the largest emerging market with fastest growth. Strong manufacturing base and growing service industry.

**Allianz Insurance company limited Performance Summary:**

- Urban, semi-urban & rural towns. Large base of young population Rising aspirations
- Economic levels, increasing awareness on financial security
As a result ... Industry growth rate: Overall – 23%, Private players – 74%, Market, penetration – just 4.8%. High concentration in metros and large cities, New business premium – 23% to Rs. 950 billion, Market share of private insurers – to 36% (P.Yr – 26%), Amongst private insurers, second largest in new business premium. In first position on number of policies issues.

Gross Written Premium – 82%

Rs. 95 billion v/s Rs. 35 billion in l. Yr

Growth rate – 10.3% v/s 7.4% in P. Yr

Number of policies – 3.7 million v/s 2.1 million in P. Yr

Mutually funds increased by 111%

11 new products launched during the current year

Currently 32 individual products & 9 product groups on offer
COMPANY PROFILE:

LIFE INSURANCE CORPORATION OF INDIA:

Mission

"Explore and enhance the quality of life of people through financial security by providing products and services of aspired attributes with competitive returns, and by rendering resources for economic development."

Vision

"A trans-nationally competitive financial conglomerate of significance to societies and Pride of India."

Objectives:

❖ Spread Life Insurance widely and in particular to the rural areas and to the socially and economically backward classes with a view to reaching all insurable persons in the country and providing them adequate financial cover against death at a reasonable cost.

❖ Maximize mobilization of people's savings by making insurance-linked savings adequately attractive.

❖ Bear in mind, in the investment of funds, the primary obligation to its policyholders, whose money it holds in trust, without losing sight of the interest of the community as a whole; the funds to be deployed to the best advantage of the investors as well as the community as a whole, keeping in view national priorities and obligations of attractive return.

❖ Conduct business with utmost economy and with the full realization that the moneys belong to the policyholders.
Act as trustees of the insured public in their individual and collective capacities.

Meet the various life insurance needs of the community that would arise in the changing social and economic environment.

Involve all people working in the Corporation to the best of their capability in furthering the interests of the insured public by providing efficient service with courtesy.

Promote amongst all agents and employees of the Corporation a sense of participation, pride and job satisfaction through discharge of their duties with dedication towards achievement of Corporate Objective.

The slogan of LIC is "Yogakshemam Vahamyaaham" - Your welfare is our responsibility.

**OPERATION:**

It is the largest state-owned insurance group in India, and also the country's largest investor. It is fully owned by the Government of India. It also funds close to 24.6% of the Indian Government's
expenses. It has assets estimated of ₹13.25 trillion (US$291.5 billion). It was founded in 1956 with the merger of 243 insurance companies and provident societies.

Headquartered in Mumbai, financial and commercial capital of India, the Life Insurance Corporation of India currently has 8 zonal Offices and 113 divisional offices located in different parts of India, around 3500 servicing offices including 2048 branches, 54 Customer Zones, 25 Metro Area Service Hubs and a number of Satellite Offices located in different cities and towns of India and has a network of 13,37,064 individual agents, 242 Corporate Agents, 79 Referral Agents, 98 Brokers and 42 Banks (as on 31.3.2011) for soliciting life insurance business from the public.

BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.

Vision

To be the best Life Insurance Company in India

“To Buy From, Work for & Invest In”

Bajaj Allianz Life Insurance Company Limited is a Union between Allianz SE, one of the world’s largest Life Insurance companies and Bajaj Auto, one of the biggest 2- &- 3 wheeler manufacturers in the world. Allianz SE is a leading insurance conglomerate globally and one of the largest asset managers in the world, managing assets worth over a Trillion Euros (Over R. 55, 00,000 crores ). Founded in 1890 in Berlin, Allianz SE has over 115 years of financial experience in over 70 countries. Bajaj group is the largest manufacturer of two-wheelers and three-wheelers in India and one of the largest in the world. Today, Bajaj Allianz is one of India’s leading and fastest growing insurance companies. Currently, it has presence in more than 550 locations with over 60,000 Insurance Consultants.