CHAPTER 2

REVIEW OF LITERATURE
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The Review of literature for "Effectiveness of Bancassurance Practices: A study of Public Sector Banks in India" is a combination from Banking and Insurance sector. However the Bancassurance sector has very rare research studies, which opens challenging scope for research in this era. So, keeping in view the need of review of literature of this study the research conducted in this field has been examined to justify the relevance of focus of attention. There are some papers particularly dealing with the theoretical concepts of Bancassurance.

Agrawal et al. (2014) examined the financial performance of HDFC bank in bancassurance with specific reference to life insurance and to suggest the ways and means to improve the existing performance by way of collecting responses from the customers. The study thus points out that the financial performance of HDFC bank in bancassurance shown a positive trend and it also offers a favorable move to the overall growth of the bank. The panorama for bancassurance is also intense as HDFC bank is found to be a preferable distribution channel among the customers who wish to buy HDFC standard life policy. With more programs and spotlight in the specified areas the bank can even have the potential of making more customers to buy HDFC Standard Life policy from HDFC bank. With the merger of centurion bank, it can also take the advantage of more customer base and can become more competitive.

Satsangi (2014) tried to observe the rather novel drift in alternative insurance distribution channel that is Bancassurance. More focus is on the role played by Bancassurance, payback provided, inferences offered, and troubles faced in India. Legislation in countries like USA and Canada has guarded the growth of Bancassurance but it proved to be sensational tale in Europe. Comparatively in Australia and Asia Bancassurance has been recent introduction. Though, a
turnaround in the financial service industry is about to happen with banks and insurance companies progressively understanding the future nerve of Indian Customers and bright prospects of Bancassurance businesses. The study focuses on mechanism of Bancassurance in India. Individually the two sectors were blooming but were not able to cater the entire financial needs of their prospective customers. Consequently, both sectors on mutual understanding joined hands and paved towards evolution of a new distribution channel namely Bancassurance. The researcher used survey method to capture the responses. Bancassurance turned out to be a blessing for all the parties’ involved the customer, the insurance companies, and the banks. Keeping record of Indian mindsets Bancassurance had turned out to be a miracle happened to Financial Industry. The semi urban and rural areas of India have remained intact from this distribution channel. Indian Market has remained untapped by Insurance sector which paves way for Bancassurance to gain advantage over Insurance companies.

Sreesha (2014) aimed at measuring the efficiency gains of Bancassurance upon Insurance companies. The researcher has measured the performance of two insurance companies namely SBI Life and ICICI Prudential Life insurance. The both companies were taken into consideration for the purpose of study as they hold a major share in the private life insurance industry and also their substantial performance in Bancassurance. The inferences from the study indicate that Insurance sector is getting high efficiency gains from Bancassurance. By providing customers with both the services under one roof, they can improve overall customer satisfaction resulting in higher customer retention levels. As far as India is concerned, the major share of the insurance sector is in the hands of the public sector. They still depend on the traditional agency channel for insurance business. In India 70% of the population are not under the coverage of Insurance especially in rural areas. The market share of public sector insurance is 72.70 in 2013. But the rural penetration is only 17% in 2013 in the public sector. The share of private sector insurance is only 27.3%. Their rural penetration is 22%. So, Insurance companies in India come forward with more and more Bancassurance channels to increase the insurance penetration and density in India.
Chari & Jayalakshmi (2014) attempt to capture the changing mindset of the customers (policy holders), evidenced by their awareness of bancassurance, increasing preference for this channel to obtain life insurance policies reflecting enhanced customer satisfaction, supported by empirical study.

The objectives of the paper is mainly to

- To analyze the perception of policy holders about bancassurance
- To examine the market related perception of policy holders.

For the survey a structured questionnaire was administered amongst select banks" customers i.e. policy holders who have purchased life insurance policies from banks instead of from insurance companies or their agents. The relationship dimensions which lead to customer satisfaction have been identified with the help of chi-square analysis. The survey was conducted in the following banks namely Andhra bank, Axis(UTI) Bank, Bank of Baroda, Canara Bank, HDFC Bank, ICICI Bank, ING Vysya Bank, Punjab National Bank, State Bank of India and Standard Chartered Bank and administered on 315 customers.

Rajasekar and Kumari (2014) examined the customer’s attitude towards service quality dimensions. Exploratory identification process revealed the service quality aspects in detail. Sample includes 40 life insurance policyholders, 3 branch managers and five with agents of SBI Life Insurance Company. Tools namely Focus group discussions and in-depth interviews were performed to elicit responses. Content analysis of focus group discussions and depth interviews was performed. Attributes were shortlisted on the basis of Content Analysis to 35 and then ranked according to Customer’s choice.

i. Pricing
ii. Employee Competence
iii. Product & Service
iv. Technology
v. Physical Appearances
vi. Trust
vii. Service Delivery
viii. Advertising
ix. Service Management
Kavitha & Subashini (2014) explored the scope for Bancassurance model in Tamil Nadu. There is largest banking network and adding to the by exploiting the synergy in the context of Tamil Nadu. By providing customers with both the services under one roof, they can improve overall customer satisfaction resulting in higher customer retention levels. This can also be used to increase the penetration level. The research was conducted to know acceptance level and the future prospects of Bancassurance. The study tries to indicate the popularity of Bancassurance among customers in Tamil Nadu. For this purpose, a survey was conducted on 289 bank customers who were selected through convenient sampling method in Tamil Nadu region. Both primary and secondary data was used. Primary data was collected through a well structured Questionnaire and secondary data was collected from various journals, magazines, books and websites. Descriptive Research design was used in this research. Factor Analysis, Chi-Square, Reliability analysis tools were engaged and Garret Ranking Technique to analyze the data collected.

Chari (2014) discussed the implication of the growing concept of providing integrated financial services to the customer and also the advantages of bancassurance. The author presents the forms bancassurance could assume namely banks floating insurance subsidiaries or joining some other existing insurance company or banks selling insurance products through its branches. The author further discusses the benefits of risk transfer and also the economic and social implications of not managing the risks.

Rani, Amita (2014) discussed the future of Bancassurance in India. The fact that the banking operations in India, unlike in other developed countries, are still branch oriented and manually operated vis-à-vis highly mechanized and automated banking channels, viz., internet banking, ATMs, etc. are all the more conducive for flourishing of bancassurance. Regulators could explore the possibility of allowing banks having tie-up arrangements with more than one insurance company, giving wider choice for the customer.

Kanungo, Archana (2014) endeavored to show case various aspects of operational Strategies or Strategic Position of Life Insurance Companies in India, which is well defined by observing the Sociological Study of Life Insurance Companies in
Odisha. This research indicates the socio-economic profile of the respondents including saving and investment pattern and the strategic position. Three Ps: Product, Price, Place, Promotion, another new P is included in this study, People or Policy holder of life insurance company provide research inputs for the said research work. It is observed that policy holders' socio-economic life is greatly influenced by the changing strategic positions of Life Insurance Company. At the same time, life insurance companies' strategic position 4 Ps are badly affected by changing market condition and frequent regulatory changes, which hampers life insurance business in India. So there is a direct relationship between policy holder's saving and investment and Strategic position of Life Insurance Company in India. At the sometime there is a direct relationship between strategic position of Life Insurance Company and recession/frequent regulatory changes, these two major factors are badly affecting life insurance companies existing strategic position, which encourage to rediscover the existing strategic position of life insurance companies in India. It affects the claim settlement of the customers.

Rajasekar & Kumari (2014) highlighted the emergence of Bancassurance which has brightens the future of retail banking. As per IRDA, the private players in Insurance and Banking sector have led to the introduction of Bancassurance. The semi urban and rural areas of India have remained intact from this distribution channel. Indian Market has remained untapped by Insurance sector which paves way for Bancassurance to gain advantage over Insurance companies. Co-operative banks and regional rural banks are a good option for the growth of Bancassurance in Rural sector. There is a bright scope for Bancassurance in India as per SWOT Analysis due to low penetration rates and huge untapped market.

Sreedevi & Auguskani (2014) focused on the level of customer awareness, satisfaction, preferences and perception towards buying insurance products from banks. This study is an empirical and descriptive based study on customer preferences towards Bancassurance. The researchers have selected IOB bank customers for the study. The primary data is collected for the study through a well-designed structural questionnaire and discussion with bank customers (Delphi technique) with or without life insurance policy. Sample size has 100 respondents who were identified randomly through convenience sampling. Secondary data is
collected from various publications, Journal, Insurance Magazines, Official websites, Annual reports and News papers. The researchers concluded that Economic growth has strongly supported the expansion of the middle income class in most of the Asian Countries and now it is India’s turn. Experience reveals that at the initial growing stage of economy, the primary strongly felt financial need for the other non-banking financial products including insurance, derivative, etc.

Ayadi (2014) intends to indicate the force that is exerted industrial efficiency of Tunisian banks through sale of insurance products. The period selected for the research is 2003-2011. DEA (Data Envelopment Analysis) method was used to calculate efficiency of Banks in Tunisia. Given that the development of bancassurance in Tunisia remains highly correlated with regulatory and business environment in the country, the future advocates of pronounced growth. The inferences from the research advise that the latter is assessed at a score of 60.1%. Technical efficiency has positive correlation with commissions paid to banks. Indeed, it would be very interesting to explain the observed differences in the levels of efficiency of Tunisia banks. This suggests the various ways that can help banks to increase their efficiency levels and pursue the necessities that can help banks to be more competitive.

Ali & Chatley (2013) explained that the factors affecting the buying behavior and acceptance level derived from bancassurance of 400 respondents selected from 4 cities of Punjab. Because of benefits offered like commitment, cost effectiveness, return on investment, banks are the preferred medium of buying insurance after agents. It is concluded in the paper that the customers are aware of bancassurance as a medium of insurance distribution and are also willing to adapt it as their future mode of buying life and non-life insurance. Respondents in Chandigarh are more in favour of purchasing directly through bancassurance while the intention of buying policy from banks in future is higher in the respondents of Amritsar and Patiala than in the other cities. The reasons for this shift have been noted as ease in payment of premium, timely intimation of policy details, staff behavior etc. On the other hand, customers who doubt the complaint attending attitude of the bank staff and strongly feel that “two bosses cannot serve” are reluctant for relying in on banks as insurance intermediaries. Hence to tap this potential, the banks and
insurance companies need to work on the whims and fancies of the customers and improve the various aspects that restrain them from accepting Bancassurance as one roof Investment solution to the customers. As far as banks are concerned if banks tap these issues they can bloom brightly in Indian Insurance Market.

Arora & Jain (2013) highlighted the effect on performance of banks after the introduction of bancassurance. Bank of India is selected for the purpose of study. Annual reports of Bank of India, various reports, bulletins and articles were reviewed for collecting secondary data. The researchers have tried to analyze the fee-based income of the selected bank and difference in fee-based income prior to after introduction of Bancassurance. Analysis is done through CAMEL MODEL. The various ratios were calculated to analyze and interpret results.

Babu Prakash (2013) explained the concept of bancassurance and is an efficient and cost effective measure for the insurance companies. The study concluded that India has potential market for insurance companies particularly in rural areas. Setting up a network and creating infrastructure for doing business attracts a huge investment by the insurance companies. Bank assurance is a better alternative in this area where insurance companies without investing on advertisement, market channels, infrastructure. The database shared by the bank in this regard help the insurance companies to convert their customers into consumers. Banks are having the database of their customers and besides it the reputation and recognition of the bank also help in the selling of insurance In addition to it, there are also certain issues which need to be clarified by the authorities such as the jurisdiction and interference of RBI and IRDA. We would rather suggested that there should be a separate regulator for regulating bancassurance and provide remedy for any grievance. It is very important that insurer and bankers must have a good understanding of each other and proper strategy to capture the opportunity and service for their customers,

Bawa & Chattha (2013) highlighted how the profitability of life insurers in India is effected due to liquidity, solvency, leverage, size and equity capital. The researchers tried to analyze the financial performance of life insurers in Indian insurance industry.
• To measure the financial performance of selected life insurers during time period taken under the study.
• To determine the impact of liquidity, solvency, leverage, size and equity capital on the profitability of life insurers.

18 Indian life insurers (including 1 public and 17 private) were taken as sample for this study and it analyses the data of 5 years from 2007-08 to 2011-12. The study uses multiple linear regression models to measure how much life insurers’ profitability is affected by these determinants. The results of the study reveal that liquidity and size are positively correlated to profitability of life insurers while capital has negative correlation. Solvency and insurance leverage had no relationship with Profitability.

Kumari & Dorthy (2013) evaluated the performance of Bancassurance with reference to SBI Life Insurance Company. Bank of India is selected for the purpose of study. Annual reports of State Bank of India, various reports, bulletins and articles were reviewed for collecting secondary data. Analysis is done through CARAMEL MODEL. The various ratios were calculated to analyze and interpret results. The period of study undertaken is 10 years from 2001-02 to 2010-11.

Number of performance indicators are there but in the study CARAMEL Tools are used to identify Bank of India is selected for the purpose of study. Annual reports of Bank of India, various reports, bulletins and articles were reviewed for collecting secondary data. The performance of insurance companies can be measured by a number of indicators. However, in present study, CARAMEL parameters are used to study the financial performance of insurance companies. There are certain hindrances in the way of Bancassurance to become a successful story. They are namely poor manpower management, lack of sales culture within the banks, insufficient product promotion, detachment of branch manager, managerial database expertise, inadequate incentives, negative attitude towards insurance, not considering Insurance as their primary product etc. In order to make Bancassurance a success, following suggestions should be inculcated:

i) Supporting Service delivery mechanism.
ii) Comprehending needs of target customer needs.
iii) Training to all levels of employees.
iv) Bancassurance strategies should be consistent with the overall vision of Banks.

v) Bank's data base system should be made flexible to cope with the change.

The study attempts to highlight the growth of Bancassurance worldwide with special reference to SBI Life Insurance Company in India.

Chatley & Ali (2013) in their paper made an attempt to compare the impact of bank intrusion into insurance selling on business generation, in terms of premium revenues, lives covered and policies sold by the leading life insurance companies in the period (2005-2010). The statistical tool of compound growth rate has been used to study the trend in business and t-values have been calculated to find the significance of the growth rate over the period of study. This study aimed to identify the best integration model for the insurance companies. The study revealed that the business generated by the insurance companies has grown significantly after the opening up of the insurance sector and the use of new intermediaries' inter-se. The new competing insurance companies have tried to tap the banking customer base through the already established wide network of branches in order to increase their market penetration and to meet the IRDA regulation of reaching out to the masses. The nature and extent of these bank tie-ups varies across different companies depending upon the insurance segment they are catering to and the nature of products to be sold.

Grover & Bhalla (2013) analyzed the profitability gains from bancassurance by taking a case study of State Bank of India (SBI). The CAMEL indicator approach has been used to assess the impact of bancassurance on the financial performance of SBI. The analysis reveals that the bancassurance has improved almost all components of CAMEL model significantly except four indicators namely, Capital Adequacy Ratio (CRAR), Non-interest income (NII), Return-on-Assets (ROA) and Return-on-Equity (ROE).

Grover & Bhalla (2013) examined the impact of acceptance of Bancassurance in India and factors that play a role in making choice for various Insurance products. 552 bank customers, who have purchased bancassurance, were selected for the purpose of study using Probit analysis. Some findings are:-
i) regardless of the present efforts of the banks, the expected level of awareness among the customers of banks regarding bancassurance is either partial or significant;

ii) Low level of complete awareness

iii) Banks should take up certain steps to increase awareness among customers. Leaflets, hoardings, Interaction on visit to branch, mobile alerts can be helpful.

iv) Various sources of information namely, Newspapers, Bank Staff and Direct Mail are failing to spread complete information regarding bancassurance among customers of the banks are needed to be taken under consideration.

Hypothesis of effect of level of awareness on choice of insurance product is rejected when data is analyzed through Structural equations model

Kumari (2013) tries to study the customer attitude towards Bancassurance business. The Researcher investigates the Bancassurance, its models and the customer attitude towards Bancassurance in India. The researcher highlights the connection between GDP and growth of Insurance sector. Customers’ attitude towards insurance agents and bankers was analyzed. For this mean of 14 statements on Likert Scale were calculated. Statements regarding trust, behavior, Knowledge of Insurance Agents were framed to ascertain customers’ acceptance and inclination.

Radhika (2013) described the role of IRDA in life insurance sector. The inauguration of a new era of insurance development has seen the entry of international insurers, the proliferation of innovative products and distribution channels, and the raising of supervisory standards. Insurance has two sub-segments, life insurance and non-life insurance. Total premium collected by the insurance segment for all the life and non-life insurance policies has grown at a CAGR (Compound annual growth rate) of 24.27% over the period 2002 to 2008. LIC is the largest player in the life insurance segment contributing to 74.39% to the total life insurance premium collected. The Indian life insurance market is still under-penetrated and far from maturity. In 2008, it constituted approximately 4% of the country’s GDP, as compared to the life insurance penetration rate of around 0.88%.
8%-10% of the GDP in other Asian countries. Therefore this study is taken place to have an over view of the Insurance industry pre and post IRDA, to study the growth in Life insurance sector post liberalization, and to know the role of IRDA in Life insurance industry.

Hamwela (2013) made an attempt to answer the question; 'how can insurance and banking regulation and law engender insurance in Zambia?' This study primarily focuses on the bancassurance model. This paper proceeds on the basis of the hypothesis that; 'Bancassurance although essential for the promotion of insurance is both illegal and not covered by specific legislation in Zambia.' To test this hypothesis, this research paper addresses the following specific questions:

(a) Do bancassurance arrangements engender insurance?
(b) Is bancassurance legal/illegal in Zambia?
(c) Is bancassurance sufficiently regulated in Zambia?
(d) Is there a clear and present need for an overhaul of the regulatory framework pertaining to bancassurance in Zambia?

The objective of this study is to propose a framework for the regulation of bancassurance in Zambia based on international best practice in more mature financial markets than Zambia.

Kumar & Parashuramulu (2013) confined the study to some statistical figures regarding the performance of Life insurance players of India. In this paper the following objectives are considered:

• To present the procedure to take the life policy by an individual.
• To highlight the various segments like:
  i. Total Life insurance premium collected during 2011-12;
  ii. Total Number of Policies sold out during 2011-12;
  iii. Total Number of offices running as on 31st March, 2012;
  iv. Total Number of Individual agents working state wise.

This study is based on secondary data and the information has been compiled from different government records publication and related books and articles. The overall business of life insurance has been significantly increased after privatization but still a huge Indian population lives is being uninsured. Although LIC is a giant player in life insurance business but private insurance companies are moving at a fast pace. Though the income, size and penetration of private
insurance companies is less when compared with LIC but then also the pace with which they are raising their market share is tremendous. Private insurance companies with its new innovative products and better customer services are expanding their business and will certainly going to give a tough competition to LIC in the coming days.

Ghimire (2013) explored the existing practices of Bancassurance in Nepalese insurance industries. Secondary data has been obtained from Insurance Board, the official websites, annual report of respective insurance companies. On the basis of available literature, we arrive into this conclusion that out of 83 institutional agency of insurance, 77 are bank and financial institutions (BFI). All insurers have appointed BFI as insurance agents the concept and practices of bancassurance is not institutionalized comparing to the western countries. The growth of Nepalese insurance industry over last six decades found sluggish comparing with South Asian countries. Bancassurance can be an effective tool to accelerate the growth rate of insurance penetration (Total written premium divided by GDP) and density (Total written premium divided by population) of the country. Having huge networking (11.1 million depositors getting services through 1,111 branches of 197 banks) of bank (A, B and C class), there is great opportunity to enter into large prospective market to bank and insurance. The huge potential market is still outside the access of insurance industry. Banking channel, in many ways, may be effective to extend the insurance market. Prevailing regulatory regime limits the role of bank only as a 'agent'. As per the demand of the customer, bank can play effective role to promote the insurance market in future if the regulatory and economic environment creates the conducive milieu and comfortable workable situation.

Palanisamy Balamani Banudevi (2013) bring out as to how internationally the drift of enlarged junction of financial services getting more restricted relatively than to the constricted channel of banking products. The division between the banking and non-banking financial products is contracting. The study indicates through illustration of growth of selling Insurance products through Banks’ branch network which is denoted as Bancassurance. The main aim of this study is to ascertain the present status of Bancassurance and the future prospects of Bancassurance
business. Banks entry into Insurance business was because of the fact of getting increased fee-based income and utilizing their strong database while on the other hand Insurance sector has joined hands with Banks because of low penetration rate in India and more trust of Indian customers on banking sector. The authors highlight the acceptance of bancassurance products by customers and indicate a panorama of prospect for private and public insurers to take advantage of our extensive bank networks.

Maenpaa (2012) aimed to examine the extent of and key determinants for bank and insurance provider selection and usage by business customers from the small to medium-sized enterprise (SME) segment, thereby aiming to increase understanding of the drivers of customers’ cross-buying behaviour across these financial service sectors. Semi-structured interviews were carried out with key decision makers from 22 SMEs within one country. Content analysis was employed to analyse the data. Empirical findings suggest use of multiple banks as the norm among SMEs, whereas insurances are dominantly purchased from a single provider. As SME customers appear to prefer using separate, independent providers for their banking and insurance services, absence of customer loyalty programs, unfavorable pricing of the total offering and image conflicts were identified as main factors limiting the willingness to cross-buy across these financial services sectors. This qualitative research is focused on the financial industry within one country and bound to smaller business customers, limiting the generalisability of the findings. The results imply that in order to succeed in cross-selling bank and insurance services in the SME segment, financial service providers should improve their cross-selling concepts by creating customer loyalty programs that would reward customer companies according to the use of multiple products in their total portfolio.

Hong & Lee (2012) aimed to explicate the determinants of customers’ cross-buying intentions in the banking services of Korea and Taiwan, and then explore the influence of cross-cultural values, such as “Collectivism”, to the relationships between these determinants and customers’ cross-buying intentions. The authors employed a triangulation approach of structured surveys to 700 actual customers, and six interviews with professional senior managers engaged in customers’ cross-buying activities of banking services in two countries – Korea and Taiwan.
Confirmatory factor analysis and hierarchical multiple regression were conducted on these data using AMOS 10.1 and SPSS 12.0. "Perceived value", "Trust", "Image", and "Satisfaction" were found to be the determinants of customers' cross-buying intentions in the banking services of Korea and Taiwan, out of which "Trust" and "Satisfaction" were significantly influenced by "Collectivism". The research also confirms that, even between countries with similar level of "Collectivism", its influence can differ according to the determinants of cross-buying intentions in banking services.

Afande (2012) established the strategic responses which have been employed by insurance Agents in Kisumu to cope with the adoption of Banc assurance. The study was guided by the following specific objectives:

• To establish the strategic responses which have been employed by insurance Agents in Kisumu to cope with the adoption of Banc assurance in Kisumu;

• To identify the challenges faced by the Agents in implementing the strategic responses to Banc assurance.

A descriptive survey was undertaken. The population of this study was all insurance agents in Kisumu quoted at the Insurance Regulatory Authority directory as at 30th June, 2011. This is a total of 42 General Insurance Agencies. A census of all these organizations was conducted and they were interviewed. Primary data was collected from the Chief Executive Officers and senior managers of the insurance agencies with the aid of semi-structured questionnaires. Data analysis was conducted using descriptive statistics, which includes measures of central tendency, measures of variability and measures of frequency among others. Findings of the study indicate that the strategic responses which have been employed by insurance Agents in Kisumu to cope with the adoption of Banc assurance include the following: Acceptance of the changes occasioned by adoption of Banc assurance and doing nothing about it; transfer; avoid; and reduce. Others are: analysis of the institutions and its clients; mergers, amalgamations and acquisitions; insurance intermediaries; continuous investment in new equipment and system upgrade; continuous capacity building of staff; clients education on dealing with insurance agents; networking and collaboration with other insurance agents; investment in marketing activities; and development of new markets.
Tiwari (2012) denoted that the banking and insurance industry have changed rapidly in the changing economic environment throughout the world. Together Banking and Insurance Industry contributes about seven percent GDP of our economy. The increased pace of market competition due to liberalization and privatization forced life insurers to be competitive by cutting cost and serving in a better way to the customer.

Gupta et al (2012) tried to explore that the present trend of banks handling insurance products. It also highlights some of the likely issues in general as well as specific from the point of regulator and supervisor. In India the concept of bancassurance appears to be gaining ground quite rapidly both through commission based arrangements and joint ventures between banks and insurance companies. It concludes that going by the present pace, bancassurance would turn out to be a norm rather than an exception in future in India and it would be a ‘win-win situation’ for all the parties involved - the customer, the insurance companies and the banks. Bancassurance addresses twin needs of portfolio diversification by retail customers and integration of marketing. While bancassurance does provide an apparently viable model for product diversification by banks and a cost-effective distribution channel for insurers, there are some potential areas of conflict between the two that need to be ironed out. While the benefits of bancassurance appear somewhat clear, prima facie to all participants, the potential areas of conflict should not be glossed over.

Jadhav (2012) highlighted Bancassurance as New Facet of Banking in India The financial resources should be channelized in effective manner so as to increase the returns from the basic financial structure of nation and also the quality of living of people. Banking is becoming dynamic by offering variety of services under one roof to fulfill the multiple needs of modern demanding customers.

The study tried to explore:-

• Concept of Bancassurance.
• Journey of Bancassurance till present day.
• Relationship between bank and insurance.

Bancassurance is a fruitful partnership between banks and insurance company as banks get commission for sale of insurance policy whereas the insurance company
gets customer network. This partnership is a win-win strategy for banking and insurance. It will make both the sectors robust and strengthen the Indian economy.

Karunanithi & Banumathy (2012) tried to highlight the marketing strategy of LIC. Bancassurance is also gaining momentum in the present scenario. The researcher aimed to know market share of LIC of India in Life insurance business and to know new market strategy adopted by LIC of India to increase the volume of Business. The study is based on secondary data. Data and information have been extracted from Annual Reports of IRDA and LIC of India. The information so collected has been classified, tabulated and analyzed to explain the role of new strategies.

Kulkarni (2012) explained that the need for increasing the reach of life insurance in India is pretty obvious. To increase penetration level to a higher level than the present one will require more efforts. Banks can play an effective role in this context. Banks see value in insurance business due to complementarity of products, fee income derived from the distribution of insurance and ease of recovery of advances in case of death of the borrower or destruction of properties. Several banks being promoters of the insurance companies also gain when valuation of those companies goes up due to synergies derived from bancassurance. The untapped potential can be used with proper training of involved human resource. New generation welcomes changes with open arms and organizations should be able to offer something different than before to attract and retain them. Insurance companies have to realize that bancassurance is the way to sell insurance in the future as it is the most cost-effective and effective way to reach the customer, while banks will have to take a cue from successful peers in bancassurance to realize that it will only contribute to their growth and not confound it.

Sarvanakumar et al. (2012) attempted to analyze the current trend of bancassurance business in India and analyze the various bancassurance products offered by Indian banks. They tried to find about the multi-face of bancassurance business and configure the issues regarding marketing of insurance products through bancassurance mode. They fulfilled that the success of bancassurance greatly depends on banks ensuring excellent customers relationship; therefore banks need to struggle in that issue. The changing mindset is surging through the banking
sector in India and this would be a right time for banks to resorting to bancassurance, especially in the context of proactive policy environment of regulatory authorities and the Government. Regulators could explore the possibility of allowing banks having tie-up arrangements with more than one insurance company, giving wider choice for the customers. In addition to acting as distributors, banks have recognized the potential of bancassurance in India and will take equity stakes in insurance companies, in the long run.

Kumaraswamy (2012) examined the prospects of bancassurance based on the respondents' perception towards the strengths, weaknesses, opportunities and threat factors pertaining to the bancassurance venture. The respondents of the study are the customers of State Bank of India who have purchased life insurance policies through the bancassurance channel of SBI. Final sample size was arrived at 448 under purposive sampling technique. The primary data were collected from the respondents through the structured questionnaire was processed and analysed with the help of computer software and statistical tools and techniques. In the present study, Confirmatory Factor Analysis (CFA) has been applied to test the validity of the variables included in the SWOT factors of bancassurance. Chi-square test and other goodness of fit statistics are some of the key indicators that help in measuring the model validity in CFA. The paper concluded that Bancassurance provides ample scope for the banks to diversify and to increase their fee based income by leveraging the existing customer database. The customers well perceive the bancassurance venture which would ultimately ends up with multiple benefits to customers. The benefits to customer range from better service quality, advice on financial planning, credibility, transparency dealing, ease of renewals, and electronic banking.

Mishra (2012) attempted to explain the scope for bancassurance models and strategy as feasible source of fee based, non-interest income. India has the largest banking network on one hand and lower insurance penetration and insurance density on the other hand. While analyzing the present trend on banks handling insurance products, she also highlights some of the likely issues in general as well as specific problems faced by banks, as result of which bancassurance has suffered. The paper concludes by suggesting strategies and policies to make...
bancassurance a win-win situation for all the parties involved, the customer, the insurance companies and the banks.

Nair et al. (2012) highlighted Bancassurance as a new channel for emerging growth of Indian insurance industry. This study makes an attempt with the objectives to examine the recent trends in Bancassurance business in India and to analyze the growth in bank tie-ups with insurance companies in India. At present 91 banks have tie up with insurance companies. The new IRDA guidelines for Bancassurance have increased the disclosure norms for the banks and insurance companies and restricting the number of tie-ups. While comparing various insurance products in the Bancassurance, the survey reveals that the motor insurance is the top selling product for general insurers through the bank and non-banking financial companies channel followed by Personal Accident insurance, Housing insurance and Property insurance. The future of the Bancassurance depends on how well the banks and insurance companies are able to overcome the operational challenges that are being constantly thrown at them.

Srivastava et al. (2012) concluded that where almost all the industries in the world trying hard for survival due to the major economic meltdown, Indian life insurance industry is one of the sectors that is still observing good growth. It is the changing trends of Indian insurance industry only that has made it to cope with the changing economic environment. Indian insurance industry has modified itself with the passage of time by introducing customized products based on customers’ need, through innovative distribution channels, Indian life insurance industry searched its path to grow. Similarly, opening on the sector for private insurer broke the monopoly of LIC and bring in a tough competition among the players. To achieve this objective, this sector requires more improvement in the insurance density and insurance penetration. Development of products including special group policies to cater to different categories should be a priority, especially in rural areas. The life insurers should conduct more extensive market research before introducing insurance products targeted at specific segments of the population so that insurance can become more meaningful and affordable.

Tiwari & Yadav (2012) depicted the customer perception towards Bancassurance. The study was based on both primary and secondary data. A well designed
The study was designed to collect primary data and various published literature, including journals, annual reports, and websites. The sample size was chosen considering both the time factor and the area of coverage. The sample was limited to 200 respondents, selected randomly from LIC, HDFC Standard, and SBI Life Insurance companies. The study focused on selected areas in Jabalpur district, Madhya Pradesh. The necessary data was collected over a 6-month period from July 2011 to December 2011.

The study aimed to highlight:

- The role of Bancassurance in the Indian life insurance business.
- Customer perception and factors affecting the buying of life insurance policies from banks.
- Awareness and satisfaction levels towards services offered by banks.
- SWOT analysis of Bancassurance in the Indian perspective.
- Suggestions to overcome problems and challenges of bancassurance.

They concluded that insurance is fundamentally a customer-focused concept, selling a policy through the appropriate channel of distribution. In recent years, agents and banks have become the primary sources of distribution for selling insurance products. Bancassurance, a relatively new distribution channel in India, is expected to generate 40% of private insurers' premium income by 2012, significantly higher than the current 25% to 28%.

Gour and Gupta (2012) analyzed the solvency ratio of Indian life insurance companies for the period from 2009-10 to 2011-12. They found that ICICI was the best among selected companies, followed by Birla Sun Life, SBI, HDFC, and LIC. The paper also observed that solvency of life insurers depends on returns received from total investible funds and interest rates.
Neelaveni (2012) evaluated the performance of five life insurance companies at the time period of 2002-03 in terms of various plans and policies on the basis of annual growth rate. The study concluded that life insurance Company being the public sector, was lagging behind due to competition faced by private insurers whereas private life insurance companies had performed well in terms of financial aspects.

Charumathi (2012) studied the factors that determine the profitability of life insurers operating in India. The sample for the study included 1 public and 22 private players and period of three years i.e. 2008-09 to 2010-11 was studied. For achieving the purpose, regression analysis was performed which resulted that profitability of life insurers was positively affected by size and liquidity but negatively influenced by leverage, premium growth and equity capital.

Biker (2012) investigated the competition and efficiency in Dutch life insurance market by estimating unused scale economies and measuring efficiency market share dynamics during 1995 to 2010. The result of the study showed that economies significantly decrease with size of insurer and unused economies of scale did not exist under strong competition.

NagaRaj et al. (2012) discussed the various different channels (that emerged in the deregulated period and changed the overall industry trend). Their research considered seven dominating private players in the life insurance industry to understand the recent patterns in distribution. The analysis clearly shows a move away from the traditional channels by the private sector. Purposive sampling has been used for the study. The sample covers ICICI Prudential Life Insurance, Bajaj Allianz Life Insurance, Birla Sun Life Insurance, Tata AIG Life Insurance, ING Vysya, Aviva Life Insurance, and Max New York Life Insurance. Secondary sources like the website of IRDA were used to collect data on various distribution channels relevant for the purpose of the study. In order to identify the changing distribution pattern, the percentage contribution from different channels was analyzed for the entire industry. Moreover, through various calculations, the trend in terms of policy and premium was observed. The current study by comparing with developed nations or developing nations concluded that India is ranking very low in life insurance penetration, density. All the regulatory authorities and government have to educate the citizens about the life or health policies. In the
above study it depicts US having 75% of insured population but in India it is just 0.2 percent, here we can see the negligence of the semi government bodies or full pledged governments. In India most of the citizens are in the speculation on insurance, until unless drastic regulations taken place our insurance sector won't place in world best ranking. However still the good contribution of individual agents or banc assurance business is improving but the maximum share of population is not insuring.

Karunanithi & Kannan (2012) analysed the performance of the bank through financial and operational efficiency. The present study is purely based on secondary data. This study covers a period of 10 years from 2002-03 to 2011-12. The main objectives of the study are as follows:

- To analyze the overall financial performance of SBI
- To estimate the financial viability of SBI

The present study is purely based on secondary data. The data has been collected from published Annual reports, Journals, Magazines, websites and accounts of SBI. The financial performance of SBI is analysed by using appropriate ratio analysis techniques such as Profitability ratio, Activity ratio and financial ratio. The study evaluates the performance of return on shareholders’ fund, cost of funds, return on assets, investment to total deposits, total expenses to total assets. These ratios reveals negative compound growth rate. Hence it is not satisfactory. The credit deposit ratio, advances to capital employed, staff expenses to total expenses, overhead expenses to total expenses, interest income to total income ratios are gives positive compound growth rate. Therefore, it gives satisfactory financial performance of State Bank of India.

Gonulal et al.(2012) discussed the potential of Bancassurance to contribute to the growth and the stability that both life and non-life insurance products can bring to developing countries. The details of how some approaches work better than others, and how regulation and consumer protection issues can impact such development, are reviewed here, together with a discussion of regulatory policy issues and recommendations for best practice. This paper provides a detailed study of the operation of Bancassurance in a major developed market (France).
Krishnan (2012) looked at the emerging challenges and future directions of life insurance sector. The objectives of the Study are:-

- Understand the changing consumer profile in insurance sector
- Changing life Insurance intermediaries and distribution channels
- Emerging Challenges

Data and information for the research study were collected and analyzed from secondary published sources viz., books, newspapers, web sites and research studies beyond current rates, create a bigger pie and offer additional consumer choices through the introduction of new products, services and price options. Growth in the insurance sectors is evident from a large number of innovative schemes floated by life insurance companies showing an increasing demand by the consumers.

Lohiya (2012) focused on objective, benefits, limitations, awareness and future perspective of Bancassurance. The banks get their commission for selling the insurance products and in the same way the insurance companies get the wide spread networking of their branches without any cost. The most advantage for customers is that, in insurance business trust can plays greater role for attract customer, especially built relationship between insurers and insured for a long time. Customers always attract by the public sector insurance company it is monopolistic attitude, so private sector bank and insurance company have a no large number of business market. Private insurance companies collaborate with foreign companies which are unknown of Indian people. Under the circumstances insurance company collaborate with bank and introduced various types of tailored based services to the customer. Bancassurance will provide better distribution channel for the insurance company with the help of bank. Bank spread all over the countries so insurance company does not have any branch section requirement. Bank and insurance companies mange all the things shall be perform his duties well with the get a structural benefits of the Bancassurance model available in the country.

Boon et al. (2012) examined the effects of innovation attributes on bancassurance products and determined the factors that influence customers' acceptance towards the new products. Rogers' Five Factors have been adopted to measure the user
acceptance of bancassurance. A structural questionnaire was administered over 450 respondents from three states of Malaysia. The analysis of the result of this study reveals that only three of the Roger's five factors emerged to be of significance to the user acceptance, namely relative advantage, trialability and observability. Managerial implications and recommendations of the findings are also proposed. This research aims to provide inference to be used by insurance and banking companies to determine the perception of customers' acceptance. Through this research, the bankers and insurers could cooperate to produce more complex and suitable bancassurance products. In other words, from this research, the consumers will have better understanding of these new marketing products, thus enhance their confident about bancassurance.

Llavona (2012) analyzed the factors that have contributed to expansion of bancassurance distribution in the Spanish market, comparing it with the development that this channel has reached in Germany where Bancassurance has not achieved market levels as high as in Spain, France or Italy. After the comparison between the corresponding provisions regarding insurance distribution, the researcher highlights the most controversial aspects of the Spanish law that should be revised in order to adapt the regulation to the complex market reality. The analysis is completed by referring to the German provisions regarding insurance distribution which, in some cases, appear to be more suitable to regulate a phenomenon as wide and with so many varied manifestations as bancassurance.

Kailash Mishra (2012) discussed the distribution strategies in bancassurance. The author focused on the implementation issue of bancassurance, training—the critical component of bancassurance, improving sales management, providing sales management, providing training resources, sales culture and mentoring. The author makes out a case for training interventions as a necessary tool for succeeding in bancassurance by means of 3 illustrative caselets.

Devi (2011) tried to give an overview of the impacts of Liberalization and deregulation processes in Indian life insurance industry. There are changes in terms of market concentration, product innovations, marketing strategy and use of technology for all processes. She tried to explore the present scenario of the Industry and the difference from the pre liberalization scenario. The extent to
which life insurance companies have improved in terms of the efficiency and productivity is also highlighted along with other implications of liberalization. The study covers the period from 2001-02 to 2009-10. The study concluded that current reforms in Indian insurance over the past decade have facilitated many functional changes. It has enhanced competition as indicated by the fall in concentration ratios and increased insurance density and penetration. Moreover, alternate distribution channels like Bancassurance have also taking lead but lack of customer education is one of the major obstacles in development of Insurance sector.

Kumar (2011) tried to examine various challenges which bancassurance poses in India and to trace their suitable solutions. In fact, bancassurance in India is facing a number of challenges in product development, channel management, regulatory support, etc. Some of these challenges are-

i) Regulatory policy of the Govt. which allows one bank to tie-up with only one life and one non-life insurance companies
ii) Insurance distribution is viewed as short term partnership which is renewable annually
iii) Lack of incentive system to motivate the staff to cross-sell insurance products.
iv) Customer data and relationship management is inadequate and poor in our country.
v) Bancassurance distribution is highly skewed in favor of Unit-linked
vi) Time constraint
vii) Discontinuation of policies due to lack of follow-up

As a matter of fact, these challenges have made the bancassurance academically more interesting and socially and economically more significant. These challenges need to be tackled timely and effectively by all concerned participants such as banks, insurance companies and the regulatory authorities to ensure as bright futures for bancassurance in our country.

Lakkol (2011) focused on the growth of non-interest income of the banks engaged in JV and to compare their growth rate with other banks which are not involved in JV. The study focuses on Banks’ influence on business generation as a JV partner with special reference to business volume generated through bank channel in
insurance business and growth rates in assets held in mutual fund business. The Hypotheses were based on the above to analyze the impact and to test whether the banks involved in JV have experienced higher growth in non-interest income and also to test whether bank as a JV partner could influence the business generation in insurance and mutual fund sector. The study is based on the secondary data collected from the internal data sources such as published annual reports of the banking companies and Banking company websites. The external data sources used to collect historic data are the syndicated sources such as the reports of the regulatory bodies (IRDA and AMFI) Capital line Database, CMIE Business Beacon database and RBI publications- Trends and Progress Reports (yearly Reports). The present study focuses only on the financials drawn from the annual reports and published reports. The long term stock price analysis of banks involved in JV and other banks can also be carried out. The customer's perception and reaction to bank promoted financial products can be carried out to explore whether the background of JV partner influence their confidence while investing. The Joint venture strategy can be suggested to banks to expand their products and services and to diversify the risk. It is easy for the banks to cross sell financial products as they already have established customer and branch network. They can generate higher volume of business and earn non-interest income. The banks have already gained the trust and confidence of the customers, thus makes the cross selling much easier.

Malik (2011) determined the relationship of profitability and internal factors of insurance companies in Pakistan. For determining specific factors, multiple regression model was applied where profitability taken as dependent variable while age, size of company, volume of capital, leverage and loss ratio as independent variables. The study covered the time period from 2005 to 2009. The findings suggested that there was no relationship of profitability with age, but significant positive relationship with size and volume of capital, and significantly negative relationship with loss ratio and leverage.

Chaudhary and Kiran (2011) observed current scenario of life insurance industry in light of some changes and regulation of IRDA. By studying different variables the result showed that life insurance industry expanded tremendously from 2000
onwards in terms of number of offices, number of agents, new business policies, products, premium income etc.

Gulati and Jain (2011) analysed business performance of all life insurers in industry on the basis of various indicators. The study indicated that even after the entry of private sector, the growth of public sector undertaking had not resulted in downfall even after facing various opportunities and challenges.

Ramanathan, K.V. (2011) research has resulted in the development of a reliable and valid instrument for assessing customer perceived service quality, awareness level, and satisfaction level of customers towards life insurance industry. Here, service quality needs to be measured using a six dimensional hierarchal structure consisting of assurance, competence, personalized financial planning, corporate image, tangibles and technology dimensions. This would help the service managers to efficiently allocate resources, by focusing on important dimensions first. There is no right and wrong in this. The success of marketing insurance depends on understanding the social and cultural needs of the target population, and matching the market segment with the suitable intermediary segment.

Arora & Kaur (2011) explained perceptions of Intermediaries involved in selling life insurance business in India. This study is based on both and secondary data. The perceptions of intermediaries are judged with the help of a pre tested questionnaire in which sample size of 200 intermediaries was taken into consideration. The data is collected from Northern India. The required information is collected from IRDA journals, annual reports, magazines and websites. The details of channels and companies in which intermediaries are working, are taken into consideration. The different factors which are taken into consideration are income, qualification and experience of intermediaries. For the purpose of analysis of data and testing various hypotheses pertaining to perception of intermediaries involved in selling life insurance business, the statistical techniques used are Factor analysis, percentages, chi-square test, histograms, pie charts, tables and line charts. The results of this survey reveal that:

- Majority of the Intermediaries are working in Private Sector.
- Majority of the customers still rely upon public sector life insurance company i.e. LIC
Fan et al. (2011) attempts to develop and assess an objective research model to weigh the factors that affect intention of cross-buying insurance in banks. The Technique for Order Preference by Similarity to Ideal Solution (TOPSIS) was conduct firstly for the shortlist selection of factors of cross-buying intention. Then, the factors’ weights of cross-buying intention are also used as the evaluation criteria, and these are calculated effectively by employing conjoint analysis (CA). This study finding: The TOPSIS is an effective method to help decision makers for the shortlist selection of idea factors of cross-buying intention. In order to collect data to identify and shortlist selection the intentions of cross-buying insurance in banks by Delphi & TOPSIS, and develop an evaluation structure to weigh the intentions of cross-buying insurance in banks, an interview protocol was designed. Fan et al. (2011) designed to evaluate key factors for Bancassurance Success. The objectives of this research are:-

i) To search for the key success factors that influence bancassurance operation in Taiwan

ii) To explore the weight of each key success factor

iii) To identify performance gaps, typically measured as performance minus key success factors.

This study reviews the literature, interviews experts, and adopts the modified Delphi method and the analytical hierarchy process (AHP) to construct a framework of key success factors for bancassurance. Then, the importance performance analysis (IPA) is applied to identify the performance of each key success factor for bancassurance. This proposal provides a reference criterion for identifying successful bancassurance operations in Taiwan and provides high-level management of financial institutions and academicians with recommendations for future development. The findings suggest how managers may revise bancassurance strategies that are inappropriate so that decision-makers can identify the weaknesses and strengths of their bancassurance strategies and allocate their resources accordingly.

Fan et al. (2011) addressed gap by developing and assessing an objective research model to weigh the factors that affect intention of cross-buying insurance in banks and to identify the resulting degree of satisfaction of these factors. The gaps between the factors of cross-buying intention and the resulting satisfaction are
recognized by using the “Importance Performance Analysis.” This study applied a
purposive sampling technique and selected 23 financial advisers who were
employed by different model banks and have many years of experience working
with bancassurance. The interviews were conducted either through e-mail or face-
to-face. Respondents were asked to justify their answers to interview questions and
to rate their level of agreement toward the factors of cross-buying intentions,
ranging from strongly agree (SA) (5) to strongly disagree (SD) (1).

Agrawal & Hajela (2011) described the need of Bancassurance with the
justification of networking of banks. This paper is a sincere attempt to analyze the
extent success or failure of bancassurance in India. The present paper analyzes the
insurance sector from the traditional way of marketing till the modern one i.e.
Bancassurance. Bancassurance has received much attention from both researchers
and policymakers, as it is a major step towards the creation of universal financial
markets in the 21st century which are no longer segregated based on industry
operations.

- To find out the extent to which Bancassurance in India is successful;
- To find out the customers’ behavior for purchasing of insurance products
  on the basis of ‘Income’;
- To judge the dependence of the factors on Income of the customers.
- Judge the awareness level of customers for Bancassurance.

Maenpaa & Voutilainen (2011) investigated how financial service providers cross-
sell combined bank and insurance service offerings in a business-to-business
context with the aim of increasing understanding on the creation of corporate
customer value through cross-selling. A qualitative study of eight providers,
augmented with interviews among eight of their small and medium-sized
enterprise (SME) customers, form the empirical basis of the study. Financial
service providers anticipate a shift from separate sales events towards one-stop
shopping and from unilateral provision of non-related products towards
consideration of hybrid products in the SME segment. SME customers, who tend
to acquire their banking and insurance services as non-related products from
separate providers, do not fully support these trends. The results are partly
explained by the absence of customer loyalty programs and non-existent provision
of hybrid products in the business-to-business context. The research is focused on the financial industry within one country and bound to SME customers, limiting the generalizability of the findings. The results imply that financial service providers should develop their one-stop shopping concept in the SME segment by creating a customer loyalty program that would reward customer companies according to the use of multiple products in their total portfolio. Additionally, the possibilities of introducing hybrid products solely for business customer use should be further investigated.

Shah & Salim (2011) tried to give a picture of the parties how could be a feasible task to make lucrative business with the pace of emerging scenario. The concept of bancassurance differs from one observer to another. This is because the integration of insurance and banking can vary from a simple distribution agreement to some type of capital link between the two activities. Bancassurers should use technology to simplify the insurance purchase as much as possible, thereby making the purchase an easier, more pleasant experience and further differentiating themselves in the process. Buying insurance in the traditional way means dealing with agents and the complications of the underwriting process, which bancassurance can eliminate. Branch customers are usually in a hurry and don't want to wait, so banks will serve them best by simplification. With point-of-sale technology, customers should be able to buy policies in a short time and leave the bank with coverage in hand. Particularly with an intangible such as an insurance policy, the buying experience itself is a key part of the purchase. Bancassurers should make the experience as positive as possible, and technology can contribute greatly to this effort.

Saravanan (2011) analyzed Indian bancassurance with the help of SWOT analysis. It distills the bancassurance processes to reach its maximum potential. Equal importance has been given to different components of the SWOT tool. This article explains Indian bancassurance environment in a nutshell. It is concluded that It is important for an insurer to understand the merits and demerits of bancassurance channel. It helps immensely to plan the resources in accordance with the channel requirement. In other words the contractual terms etc can be planned to maximize the channel effectiveness. Otherwise smooth functioning of bancassurance channel...
is difficult. Thus the analysis of internal and external environment of bancassurance channel is vital one for an insurer.

Barathi et al. (2011) explored the strategies that insurance companies can adopt in order to ensure that they continue to maintain high levels of growth in order to be able to counter the negative impact of the global economic recession. This paper is exploratory in nature and explores the various strategic options that can be effectively implemented by the life insurers to improve the coverage and penetration of life insurance using secondary data.

- The Indian insurance industry has proved to be resilient and has recovered quite fast from the debilitating impact of the global economic crisis.
- Life insurance space, penetration and density is very low in comparison to other countries.
- Rise in awareness of the need for insurance and growing affluence
- Companies instead of focusing only on improving the variety of products needs to focus on targeting new segments and implement innovative strategies

Fiordelisi & Ricci (2010) aimed to assess whether bancassurance firms outperform other life insurance companies. Cost and profit efficiency are estimated using a stochastic frontier analysis and including several firm-specific factors to overcome possible sample heterogeneity. On the cost side, we find strong evidence in favour of bancassurance as a distribution channel. Results on the profit side suggest the need to continuously revise the product mix. Bank ownership is not found to provide any direct advantages. As a consequence, the subjects involved should carefully consider looser forms of cooperation, such as cross-selling agreements and non-equity strategic alliances.

Singhal & Singh (2010) suggested that by opening the economy for foreign players to enter and compete in the market, numerous challenges and opportunities beckoned the domestic players in India. The banking and insurance sectors also got affected by this and started to reenergize their work and revamped the whole system to face the situation. They also initiated business into some new areas and as a result, both these sectors came together to leverage the opportunities available to them so as to reap the prospects of individual specializations. Thus, the concept
of bancassurance emerged. It is the detailed agreement and arrangement between the banks and insurance company in which the insurance products are distributed properly by effectively utilizing the banks distribution channels. It is regarded as a one-stop shop where a complete range of banking and insurance products are made available. It originated in France and is a new concept in India and Asia, but it has its success story in Europe, the USA and Canada. This research paper is an attempt to assess the vital aspects of bancassurance and evaluate how this synergy is leveraging benefits for banking and insurance.

Andhra Business Bureau (2010) in an article titled “Bancassurance to touch 40 percent of premium income by 2012”. Based on Towers Watson India Bancassurance Benchmarking survey 2009-10, it is expected that that bancassurance would generate 40 per cent of private insurers' premium income by 2012, Bright prospects for bank distribution in India, given the impressive branch banking architecture that reaches every part of the country and touches every economic segment of the population.

Selvavinayagam, K. and Mathivanan, R. (2010) revealed that the competitive climate in the Indian insurance market has changed dramatically over the last few years. At the same time, changes have been taking place in the government regulations and technology. The expectations of policyholders are also changing. The existing insurance companies have to introduce many new products in the market, which have competitive advantage over the products of life insurance companies.

FICCI (2010) conducted a survey on the Indian Banking Industry to assess the competitive advantage offered by the banking sector, as well as the policies and structures that are required to further the pace of growth. Over the last three decades, there has been a remarkable increase in the size, spread and scope of activities of banks in India. The business profile of banks has transformed dramatically to include non-traditional activities like merchant banking, mutual funds, new financial services and products and the human resource development. This survey finds that within retail operations, banks rate product development and differentiation; innovation and customization; cost reduction; cross selling and technological upgradation as equally important to the growth of their retail
operations. Additionally a few respondents also find pro-active financial inclusion, credit discipline and income growth of individuals and customer orientation to be significant factors for their retail growth.

Fan & Lee (2010) described the key factors influencing success of Bancassurance. The aims of this paper are:-

- search for the key factors of bancassurance operation in mainland China;
- explore the weight of each key success factor;
- Identify performance gaps typically measured as performance minus key success factors.

This study besides reviewing literatures and interviewing with experts, also adopts the modified Delphi Method and the Analytical Network Process (ANP) to construct a framework of key success factors of bancassurance. Then, the Importance Performance Analysis (IPA) is applied to identify the performance of each key success factor for bancassurance. The finding offers the decision-maker for the revision of the bancassurance strategy that had been inappropriate. In other words, the strategy maker can identify the weakness and strength of their bancassurance strategy, and al-locate their resource accordingly as well.

Wua et al. (2009) explored the most preferable model of financial alliance between banks and insurance companies from the point of view of Taiwan’s supervisory authorities. First, the researchers define four criteria and twelve sub-criteria for use in evaluating six types of financial alliance. Next, they establish a framework for the criteria and sub-criteria using a modified Delphi method. As a decision support system, they incorporate the opinions of industry experts and apply the analytic hierarchy process (AHP) technique. Based on the evaluations of the expert panel, the financial holding company option was preferred by Taiwan’s Financial Supervisory Commission (FSC). This study attempts to identify the best alliance model for the bancassurance industry, which is a problem that involves complex multi-criteria decision-making. Therefore, using the AHP method seems to be a successful approach in finding a solution to the alliance problem.

Fiordelisi & Ricci (2009) investigated efficiency in the Italian life insurance industry aiming to assess if bancassurance firms outperform other companies. We provide a comprehensive view of the phenomenon adopting both an ownership and
distributional perspectives. Stochastic Frontier Analysis is applied including some firm specific factors to avoid possible estimation bias deriving from sample heterogeneity. Evidences in favor of bancassurance are significant only from the cost side; furthermore, high financial content products appear less profitable than traditional insurance. As a consequence, subjects involved should carefully adjust the product mix and choose the organizational model, considering also flexible and reversible forms of cooperation.

Popli and Rao (2009) tried to find out (i) the awareness and willingness on their part to purchase insurance products from banks (ii) investigate the factors influencing customer’s attitude towards banks and insurance companies and (iii) reasons to buy insurance products from the banks. The study used factor analysis on a sample of 115 respondents and observed the low level of awareness and emphasized the importance of customer relationship management and finally concluded by suggesting that banks should try to exploit the existing opportunities to cross sell insurance products through their branch network, by designing a clear and effective marketing strategy aimed at increasing awareness and customer’s willingness to choose banks as insurance providers.

Panil & Swain (2009) focused on Insurance density and Insurance penetration. Insurance density is measured as ratio of premium (in US Dollar) to total population. Insurance penetration is measured as ratio (in per cent) of premium (in US Dollars) to GDP (in USD)

The need and subsequent development of bancassurance in India began for the following reasons:

- To improve the channels through which insurance policies are sold/marketed so as to make them reach the hands of common man.
- The size of the country, a diverse set of people combined with problems of connectivity in rural areas, makes insurance selling in India a very difficult proposition.
- To improve the services of insurance by creating a competitive atmosphere among private insurance companies in the market.

In India banking and insurance sectors are regulated by two different entities. The banking sector is governed by Reserve Bank of India and the insurance sector is
regulated by Insurance Regulatory and Development Authority (IRDA). Bancassurance, being the combination of two sectors comes under the purview of both the mentioned regulators. Each of them has elaborate and descriptive rules, restrictions and guidelines.

Anuja Banerjee (2009) described the concept of Bancassurance and its role in Insurance Industry. Bancassurance means selling insurance products by banks through their distribution channels has become one of the major para-banking activities of the banks. If marketing of insurance products by banks is done efficiently and ethically, then it ensures a win-win situation for all parties concerned, the bank, the insurance company as well as the customer. There is a large potential and future development of Bancassurance in India and many Insurers finding it as a attractive and profitable form of distribution channel for distribution of their products.

Praveen Sanu, Gaurav Jaiswal and Vijay Kumar Panday (2009) revealed that in present Indian market, the investment habits of Indian consumers are changing very frequently. The individuals have their own perception towards various types of investment plans.

Fiordelisis & Ricci (2009) investigated efficiency in the Italian life insurance industry aiming to assess if bancassurance firms outperform other companies. We provide a comprehensive view of the phenomenon adopting both an ownership and distributional perspectives. Stochastic Frontier Analysis is applied including some firm specific factors to avoid possible estimation bias deriving from sample heterogeneity. Evidences in favour of bancassurance are significant only from the cost side; furthermore, high financial content products appear less profitable than traditional insurance. As a consequence, subjects involved should carefully adjust the product mix and choose the organisational model, considering also flexible and reversible forms of cooperation.

Pejawar (2008) highlighted that in bancassurance, the insurance company makes use of the vast network of the bank branches, its customer base, which is a very important ‘raw material’ for life insurance. The relationship would be that of the bank being a pure distributor while that of the insurer being a pure manufacturer of
the insurance products. On a proper analysis of the transactions, the banker can understand the "Investment psychology" of the customer and accordingly offer the insurance products to them. Products sold through bancassurance channel should be simple to understand, simple to sell and simple to buy. The lengthy forms, lengthy processes, tough underwriting norms, cumbersome health checkup will put off the customer as they are used to having simple and faster approvals.

Artikis, Mutenga & Staikouras, (2008) explained that consolidation, which is a by-product of intense competition, is beneficial from the customer's viewpoint as easier and quicker access to a wide variety of products. The impact of financial integration has been studied and the response towards bancassurance also noted. It has been found that banks entry into insurance markets led to an increase in acquisitions of insurance distributors by commercial banks.

Okeahalam, (2008) said that a comparative analysis of costs of selling insurance by traditional channels versus banks, indicate that bundling of products in a bancassurance package reduces prices.

Chen et al (2008) in their empirical study based on panel analysis of a sample of 28 firms from developed and developing countries found that the size of the national banking industry, the level of financial deregulation within a country, and the national inflation rate play significant role as determinants of bancassurance. Bancassurance has received much attention from both researchers and policymakers, as it is a major step towards the creation of universal financial markets in the 21st century which are no longer segregated based on industry operations. This study is the first comprehensive study to identify and measure the determinants of bancassurance using a sample of firms from 28 developed and developing countries. Our results complement the existing literature on bancassurance demand, insurance demand, and international insurance services, while also providing additional insight in key areas.

Zhian Chen, Donghui Li, Li Liao, Fariborz Moshirian and Csaba Szablocs (2008) have rightly described Bancassurance as step towards the creation of universal financial markets in the 21st century which are no longer segregated based on Industry operations. Economies of scale and scope make such an alliance attractive.
for both parties. It is to be examined the factors behind bancassurance by examining the developments and performing quantitative tests.

Cheng-Ru Wu et al. (2008) highlighted the relationships among the flexibility enablers and to prepare a hierarchy of these enablers to know their influences over each other in global supply chain. The framework suggests that the priority of enablers in supply chain should be determined on the basis of their driving power and dependency. While analyzing it also revealed that in the purchase of financial products many factors regarding the executive, supervisor and customer aspects, including company’s scale and operation condition, customer’s benefits, risk and so forth are considered. But the most important factors are convenience, customer’s benefits and risk control. Therefore, the results of this study correspond with the realities of current situation. This study provides an evaluation criterion for determining the optimal alliance structure for emerging Bancassurance sector, and the proposal evaluation criteria provides high-level management of financial institutions and academicians with recommendations for future development.

Artikis et al. (2008) reviewed the bank-insurance trend and has approached the phenomenon from an applied standpoint without scarifying the underlying academic rigor. A mixture of factors determines the level of success in the bank-insurance implementation. The integration of global financial markets, the regulatory framework, the structure of the particular market, the public’s preferences towards products/services are all critical factors that interact to favor or hinder the development of the phenomenon. Banks and insurance companies enter into this game when they both judge it is advantageous. They both seek increased profitability, which they expect to spring from the wider range of financial products marketing, the more efficient use of their distribution networks, the strengthening of their market image, and the improved services provided to their customers.

Neelamegan & Veni (2008) concluded that Bancassurance has mostly been a phenomenal success where legislation has allowed although slow to gain pace, is now taking off across Asia, especially now that banks are starting to become more diverse financial institutions, and the concept of universal banking is being accepted. In India, the signs of initial success are already there despite the fact that
it is a completely new phenomenon. The factors and principles of why it is a success elsewhere exists in India, and there is no doubt that banks are set to become a significant distributor of insurance related products and services in the years to come. The success of bancassurance greatly hinges on banks ensuring excellent customers relationship; therefore, banks need to strive towards that direction. Regulators could explore the possibility of allowing banks having tie-up arrangements with more than one insurance company, giving wider choice for the customers.

Narayan (2008) emphasized on role of Intermediaries that has a key role to play in the success of Insurance business. Selling of life Insurance products largely depends on the skill and efficiency of the distributor. The role of agent is very vital as compare to other forms of marketing channels like brokers, corporate agents and bancassurance etc. Bancassurance emerging as a new form of distribution channel where banks performed role of intermediary and sell policies directly to the customers.

Pandey (2008) in his Dissertation report titled “Bancassurance as a strategic management tool” has explained the present status of bancassurance and how it is gaining world-wide acceptance and why in an Indian Insurance Industry it is seeing as a strategic management tool.

Bruce Sahd (2008) attempted to address two questions: The first question is: Can African Insurers successfully sell higher volumes of low cost individual protection products to Bank customers via direct marketing methods (phone, post, email, web etc)? The second question is: Could it be that direct marketing is a strategy particularly well suited for developing insurance markets?

S.K. Staikouras (2008) examined the effects on shareholders wealth as a result of the bank–insurance interface. Using a global sample of financial intermediaries and an event-study framework the findings reveal significant abnormal returns surrounding the announcement of bank–insurance ventures. A control sample using financial institutions that do not pursue bank–insurance deals shows negative abnormal returns with much higher magnitude in absolute terms. When the sample is separated on the basis of the bidder’s nature, then bank-bidders earn significant
positive returns, while the insurance-bidders experience significant losses. The analysis further unveils either statistically significant negative returns or insignificant values for bank–insurance divestments. Finally, profitability, size and functional diversification are all found significant in determining abnormal returns over various intervals.

Dharmalingam & Kannan (2008) intended to study on investors perception towards bancassurance of private sector banks in Tamilnadu To attain the primary objective the researcher frames the following secondary objectives:-

- To identify the factors that influences the investors to purchase bancassurance
- To analyze the schemes of the policy that is favorable to the investors.
- To understand the investors satisfaction towards Bancassurance
- To suggest the various steps to improve the promotion of Bancassurance

The present study constitutes the Descriptive research design as it described the existing facts of the study. This research collected sample from 100 respondents of Private bank’s customers from Coimbatore District. The Statistical Tools used to analyze are Percentage analysis, Chi-square analysis and ANOVA (One-Way).

Pandey. N (2008) in his Dissertation report titled “Bancassurance as a strategic management tool” has explained the present status of bancassurance and how it is gaining world-wide acceptance and why in an Indian Insurance Industry it is seeing as a strategic management tool.

Ravi Kumar V.V (2007) implied Bancassurance trends and opportunity the Government of India allowed banks to enter the insurance sector, if not as new joint ventures, then certainly distribution outlets for insurance. Thus, the term “Bancassurance” was coined which meant distributing insurance products through banks. This reform measure brought in its wake a flurry of activity in this area. Banks and insurance companies announced a series of tie-ups in the area of distribution by way of corporate agency, referral tie-ups and selling insurance products related to banking products. Three years later, mixed result has seen with insurance companies, claiming that bancassurance had become an important channel with some insurance companies stating that individual agents would continue to be their focus.
Sreesha & Joseph (2007) explained Bancassurance as a viable Model for Financial Firms. The bancassurance (i.e., bank and insurance company combinations) model for financial firm architecture has been widely used in Europe and recently has been adopted by U.S. financial firms. We provide evidence regarding the viability of bancassurance combinations for U.S. and non-U.S. mergers between 1997 and 2002. We find positive gains and no significant risk shifts for shareholders of bidding firms, and that higher CEO stock ownership results in less positive gains for shareholders. These and other results suggest that bancassurance firms are viable entities that may play an important role in the future evolution of the U.S. financial system. In Bancassurance: A Study With Special Reference to State Bank of India, studied the impact of selling insurance products using banks as a channel. With the help of the study the researcher found that bancassurance is one of the vital medium to improve performance of banks.

Rajkumari (2007) in her study on customer preference towards insurance services and bancassurance took a sample of 100 respondents from Centurian Bank of Chennai and used descriptive statistics along with Chi-square test to check awareness and preference level of the respondents. The results revealed that

i) 64 percent of respondents were aware about Centurian bank’s tie up with insurance companies. Tele callers on the part of banks was the main source of awareness;

ii) health insurance by ICICI was the most preferred in non life insurance policies;

iii) Chi-square test suggested low correlation of Bancassurance clients with Centurian’s bank accounts.

In sum, this study concluded that level of awareness about Bancassurance should be worked upon to improve insurance penetration level.

Patil & Thakkar (2007) revealed that a strong competition among the insurance companies has led to better services being provided by customer satisfaction can be known from the customer retention ratio. Now most of the companies are customer centric approach, rather than product centric approach which is leading to customer-retention ratio.
Subhash & Bhat (2007) dealt with the untapped Insurance market in India. The present insurance market in India has some typical features that make it even more lucrative for the players to take active initiative in tapping the huge potential market. This article revolves around three important aspects:

- analyzing the evolution of the insurance industry in India to understand the basic problems with this sector;
- looking to the regulatory framework to strengthen the scenario for better future prospects;
- identifying some strategies for tapping the huge potential of rural markets.

With the opening up of India’s insurance industry, private sector operators in collaboration with overseas partners are likely to bring in a more professional and focused approach. The insurance industry likely will play an important role in changing the country’s economic landscape. There exists huge potential for the wealth maximization of private institutional investors, private wealthy families, individuals, and public sector enterprises.

Norman (2007) said that product development is critical in bancassurance strategy and it must be driven locally rather than being imported from other markets. Process, which is the execution of bancassurance strategies, can also provide a decisive edge.

Tripathy (2007) highlighted Bancassurance as an alternative distribution channel was identified as a source of improving the non-interest income of banks. The distribution of insurance products through banks has been beneficial to both insurance and banking companies as well as the customers. The growth of bancassurance depends on how well the bank and the insurance companies are able to overcome the operational challenges that are being constantly thrown at them. So success of a bancassurance venture requires change in approach, thinking and work culture on the part of everybody involved.

Davis (2007) analyzed the lessons of actual practice in the markets where bancassurance has become well developed as an operational concept. This study focuses on the major markets - the EU, Asia-Pacific and North America – where bancassurance has achieved the most significant development and therefore the basis for examining these lessons of experience. The goal has been to synthesize
Kumar (2006) focused on bancassurance emerging as a new form of distribution channel where banks performed role of intermediary and sell policies directly to the customers. This article clearly mentioned in his book that how banc assurance will be beneficial for banks, insurers and customers and also present challenges and opportunities of banc assurance in India. He identified cultural differences between banks and insurance companies could pose a major challenge to the growth of banc assurance. Large customer base and people trust on bank is the main opportunity for the banks as a distribution channel for insurance companies.

Dwivedi (2006) defined Bancassurance in India: Issues and Implication, The Bancassurance is the distribution of insurance products through the bank's distribution channels. Where in insurance products are offered a phenomenon through the distribution channels of the banking services along with a complete range of banking & investment products & services. In simple term, we can say Bancassurance tries to exploit synergies between both the insurance companies & banks. Conclusion of the issues and implications, the bancassurance would mostly depend on how well insurers and bankers understanding is with each other and how they are capturing the opportunity and how better service them are providing to their, customers.

Karunagaran (2006) attempts to explore the scope for bancassurance models as feasible source of sustainable income to banking sector by exploiting the synergy in the context of India having the largest banking network on the one hand and lower insurance penetration and insurance density on the other hand. While analyzing the present trend of banks handling insurance products, it also highlights some of the likely issues in general as well as specific from the point of regulator and supervisor. It concludes that going by the present pace, bancassurance would turn out to be a norm rather than an exception in future in India and it would be a

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‘win-win situation’ for all the parties involved - the customer, the insurance companies and the banks. Thus, present-day banks have become far more diversified than ever before. Therefore, their entering into insurance business is only a natural corollary and is fully justified too as ‘insurance’ is another financial product required by the bank customers. The Reserve Bank of India being the regulatory authority of the banking system, recognizing the need for banks to diversify their activities at the right time, permitted them to enter into insurance sector as well.

The Watson Wyatt (2006) Bancassurance Benchmarking Study – India 2006 A Comparative Study of Bancassurance Performance and Practices in India embracing both domestic and global financial institutions in the local markets. It is being undertaken by Watson Wyatt to define bancassurance performance standards and benchmarks against a cross-section of industry practices, processes and productivity indicators. Besides covering corporate strategic thinking and views on the developments and trends of the bancassurance channel, the study will include market views on the challenges, issues and expectations of Indian bancassurance businesses’ day-to-day operations. Our research will conclude with an analysis of the outlook and potential impact of bancassurance on the Indian financial services market. Despite having a relatively short history in India, bancassurance is already a major focus for many companies and with a significant market share that is growing exponentially. Watson Wyatt estimates that the current industry average of non-agency distribution of life insurance in India is over 25 per cent and growing. The financial services industry in Asia has developed significantly over the last decade. Banks and insurance companies have contended with the highs and lows of the economic cycle, becoming even stronger in terms of size and market reach and achieving new levels of sophistication in distribution capability, sales force quality and product evolution. Nowhere has this been more evident than in the rapid rise of the bancassurance channel. According to a report published by Swiss Re in 2002, ‘bancassurance could potentially account for 13 per cent of total premiums collected across the whole of Asia’s life insurance sector and 6 per cent in the non-life sector by 2006.’ Certainly in terms of new business, bancassurance has indeed stolen significant market share from the traditional agency channel, accounting for almost 50 per cent of new premium in some markets. The problem
is that, whilst bancassurance is a key business focus for many banks and insurance companies in Asia, there is little data available for companies to make valid business decisions or to track their business performance. Many companies have suggested that they have difficulty in establishing how well they are doing or where they stand, when reviewing or assessing their bancassurance performance. As a market leader in distribution consulting we have therefore taken up the challenge of trying to identify this key information by undertaking an industry-wide survey, commencing with India as the first country in our regional study.

Cummins & Rubio-Misas, (2006) implied the results show that consolidation has tremendous wealth effects for shareholders especially those of banks that pursue a bancassurance strategy. The banks' revenues increase with non-interest (fee) income and it thus improves performance measures. The risk and wealth effects of mergers and acquisitions between European banks and insurance companies have been studied and found to be beneficial (Chen, Moshirian & Tan).

Norman (2006) revealed that it is critical that product development in different markets is driven locally, rather than imported from afar. Even very successful products from one country may have limited applicability in another. Each market is different, which is exhibited in areas such as consumer motivations, buying habits, financial sophistication, regulation, and tax incentives. It's vital to acknowledge these differences and avoid pushing a one-size fits all product approach across all markets. On the other hand, there are often common market needs which do translate from one place to another. For example, the needs for basic family protection and retirement planning. Therefore, global players also proactively look for ways to leverage successful products and concepts across markets.

Johannesburg (2006) analyzed that bancassurance is widely viewed as being the future of business success, which spans both the banking and insurance industries. The results that emerged from these interviews indicated that a strong organizational structure with executive e support, together with simple products designed for bancassurance distribution, was essential in any successful strategy. In addition to this, a level of integration between the bank and insurer was
necessary, with the retail network of banks being viewed as a potential contributor to success if certain challenges could be overcome.

Kasturi (2006) highlighted the performance was assessed by maintaining the balance between all the measures in order to achieve success. The study evaluated that financial performance was measured by various financial ratios while non-financial measures include indicators like orientation of customers, growth, and value to the societies. The measures revealed both short-term and long-run achievements of a company.

Kumar (2006) mentioned in his book that how banc assurance will be beneficial for banks, insurers and customers and also present challenges and opportunities of banc assurance in India. He identified cultural differences between banks and insurance companies could pose a major challenge to the growth of banc assurance. Large customer base and people trust on bank is the main opportunity for the banks as a distribution channel for insurance companies.

S.Anand and V.Murugaiah (2006) pointed out that how Indian industry which is highly regulated, bancassurance a concept is still in the evolution stage. In India, the signs of initial success are already there despite the fact that it is a completely new phenomenon. India has per cent of the domestic household savings. This presents an enviable opportunity for the insurers to tap the potential of strong banking network. With the Indian banking customers getting more sophisticated in his financial needs and laying greater emphasis on convenience and a single provider for all financial products, the opportunities and challenges that the Indian market presents are immense. The study throws light on the key issues, critical success factors that contributes to the profitable partnership in Bancassurance and opportunities, growth prospects and future challenges in the journey of bancassurance business in the years to come unravel themselves. Banks, insurance companies and traditional asset management companies are converging to form a one stop financial services shop where a customer can obtain a loan, pension product and insurance at the same time. This convergence calls for complete integration of their distribution channels in accordance with an established model, whereby companies can substantially cut costs, enhance productivity and ensure that all stakeholders, shareholders, customers and staff are satisfied. Such an
integrated distribution calls for the customer to be placed at the heart of the
distribution network. The author concludes by pointing out the factors and
principles of why it is a success elsewhere exist in India, and there is no doubt that
banks are set to become a significant distributor of insurance related products and
services in the years to come.

Josa, (2005) explained that gross national income, size of the company, financial
deregulation and size of the national banking are sources of the positive
determinants whereas inflation rate is a negative determinant. Legal system of the
country influences the overall success of the bancassurance industry.

Fields, Fraser & Kolari, (2005) explained banks to begin to move more firmly to
grasp the marketing concept, the conclusion is that there still remains a significant
delivery gap.

Krishnamurthy S (2005) implied insurance is the backbone of country’s risk
management system and influences the growth of an economy in several ways.
Penetration of insurance largely depends on availability of insurance products,
insurance awareness and quality of services. The future growth of this sector will
depend on how effectively the insurance firms are meeting the expectations of their
customers and able to change the perceptions of the Indian consumers and make
them become aware of insurable risks.

Sinha (2005) focused on why do banks and insurance companies get into
bancassurance in the emerging markets. Economies of scale and scope make this
alliance attractive for both the parties. The author had also examined the reasons
behind bancassurance by examining the developments and by conducting different
quantitative tests. The author in his study found that there are natural synergies
between banks and insurance companies. With the test results the author concluded
bancassurance as one of the viable proposition for banks.

Krishnamurthy et al. (2005) explained the status and growth of Indian Insurance
Industry after liberalization and also presents future challenges and opportunities
linked with the Insurance. Insurance is the backbone of country’s risk management
system and influence growth of an economy in several ways. Penetration of
Insurance largely depends on availability of Insurance products, insurance
awareness and quality of services. The future growth of this sector will depend on how effectively the insurers are meeting the expectations of their customers and able to change the perceptions of the Indian consumers and make them aware of the insurable risks. The paper has also drawn attention on emerging structure, role of banc assurance, agents and customer services in the success of life insurance business.

Bhat & Dixit (2005) observed that a customer-focused approach that fitted in with the bank culture is a critical factor in making bancassurance a success. The bancassurance sales are radically different from agency-based sales. Developing an appropriate strategy of sales management and selection, retention, and training of people involved in the bancassurance programme is also important. These are required to be strengthened to reinforce and institutionalize the bancassurance processes. The incentives and rewards play a significant role to drive the behaviour of people but this has to be developed keeping in view the bank environment and sensitivities.

Viswanadham (2005) highlighted Bancassurance as an alternative channel of Insurance Distribution. It is a phenomenon wherein insurance products are offered through the distribution channels of the banking services along with a complete range of banking and investment products and services. This paper examines the relevance of bancassurance in Indian context and makes a SWOT analysis of the same as an alternative channel of insurance distribution.

Kumar Jagendra (2005) in his study revealed that the life insurance penetration, India is just about 2% of Gross Domestic Product. The life insurance premium per capital is just Rs.550. The Life Insurance Company is the largest player with over 2000 officers. After liberalization, it has improved its efficiency and customer services.

Fraser and Kolari (2005) studied M&As between banks and insurance companies in Europe and the United States. They found both bank and insurer acquirers experienced wealth gains, but the study does not differentiate transactions involving insurance agents/brokers from those involving insurance companies. Since the former represents the major form of bancassurance in the U.S., it is
important to study agent/broker M&As separately against the broader background of the insurance agent/broker industry. Among the private life insurance companies ICICI prudential life insurance and Birla Sun life are the first and second largest players other prominent companies in competition are - Bajaj Allianz, HDFC, Standard life, Kodak Mahindra, ING Vysya, Aviva Life, MetLife, etc. The present study intends to prepare the profile of life policyholders to examine the preference of the policyholders towards various types of policies, and to probe into the reasons behind the insurance product purchases in rural area. The study indicates that respondents belonging to the age group 31-40 dominate the rural insurance market around 70% of the respondents have monthly income below Rs.8000. The women segment is still untapped in rural areas, only 12% of the total respondents were females. Agents are the most important source of information and motivation as rural people just take a policy which the agent suggests to them. A large number of respondents have got insured themselves for life risk coverage and for future contingencies. Life Insurance Company has got the maximum (93%) market share among various life insurance players. Money back policy is the most preferred policy in rural areas followed by JeevanAnand and endowment policy. Most of the respondents were found to be satisfied with the performance of the insurance company's fields.

Rao (2004) said that - The emergence and spread of bancassurance has been one of the most significant developments in the retail financial sector in India. Many banking institutions and insurance companies have found bancassurance to be an attractive and often profitable complement to their core businesses. There are expectations that Bancassurance will register a dominant share during the decade. The enormous trust that banks command in the minds of public is an important reason why insurance companies seek to enter into wide ranging banking partnerships. The banks in turn, find that the customers appreciate the provision of integrated financial services at the bank's branches, which in turn helps in building better customer loyalty and retention levels.

Rachana Parihar (2004) in his article brings out as to how bancassurance will be beneficial to banks, insurers and customers. The author takes a bird's eye view of the global scenario of bancassurance. He studies the distribution channels and the
cultural issues involved in distribution and presents the challenges and opportunities of bancassurance in India. This article has a value addition “Bancassurance – Indian Scenario” by Sharath Jutur. The author argues that bancassurance in India is still in its nascent stage and has to go a long way overcoming many challenges along the way.

Agarwal (2004) observed the key issues faced by the banking sector today. Intense competition along with falling interest margin in banks creates an urgent need for developing sophisticated financial products and innovations. Insurance has come as an ideal option for the banks. It fulfills the major requirements for a successful insurance business viz., asset management and investment skills, distribution and capital adequacy. The author made a note in his study that French banks, those predominantly choose to start up their own operations, achieved the greatest bancassurance market shares.

Brahman R. (2004) opined bancassurance as an established and growing channel for insurance distribution though its penetration varies across different markets. The study found that Europe has the highest penetration rate in contrast to the lower penetration in North America. According to the authors, social and cultural factors, together with regulatory considerations and product complexity determine the success of bancassurance in a particular market. The shift away from manufacturing to pure distribution requires banks to better align the incentives of different suppliers with their own.

- Increasing sales of non-life products, to the extent those risks are retained by the banks, require sophisticated products and risk management.
- The sale of non-life products should be weighed against the higher cost of servicing those policies.
- Banks will have to be prepared for possible disruptions to client relations arising from more frequent non-life insurance claims.

The present study analyzed the Bancassurance, its models and the customer attitude towards Bancassurance business in India. It also explains the relationship between GDP and the development of insurance business in general.

S. Gopalakrishnan (2004) explained Risk Management is the buzzword of today and at the core of risk management are risk assessment, risk avoidance, risk
transfer and risk retention. Management of risks requires a thorough understanding of the industry, identification of risk areas and formulation of strategies for combating such risks. One of the essential tools in managing risks is risk transfer i.e. Insurance. The opening up of insurance industry has significantly changed the dynamics of risk coverage. From the situation where policies of suit specific customer needs were either not available or available with high costs, evolution of customer specific policies has today become the order of the day.

Ravi Shanker (2004) focused to know the objectives namely the reform adopted by Life Insurance Company after Nationalization, its impact, influencing factors in competition and marketing strategies adopted by the insurance companies. The findings of the study are as per the reforms, the direct insurers to have a Minimum paid up capital of Rs.1 billion invest from policyholders’ funds only in India and to restrict international companies to a Minority equity holding of 26% in any new company. The two possible limitations are (i) The rate of premium of Gross Domestic Product which is indeed comparatively low in India and (ii) new players find it easier to capture existing customers by offering better service and other advantages.

Legrand (2004) tries to convey various Bancassurance business models that are operational across the world, namely open architecture, integrated and non-integrated types. SWOT Analysis of Bancassurance models is done to find out the most effective and suitable model. The cost structures in European bancassurance model are also analyzed in the study as Bancassurance is a major success in European countries. The suitability of Bancassurance depends upon the legislation framed and the cost structure attached to it. Every cost structure has its influence on the overall Bancassurance business. Remuneration of employees. Product Characteristics, Marketing strategies etc all depend upon the choice of model.

Dermott and Saunders (2003) highlighted that there is no one magic formula to Bancassurance. The model chosen has to be consistent to the overriding strategies and objectives for this particular business. Execution excellence is the key to success and together partners must extremely work hard at understanding each other, while developing common objectives and being truly committed to achieving a mutually desired and acceptable outcome.
Shah (2003) identified the strategy that embarks on by essential combination and the model to survive in the market. Both the participants whether Insurance Company or the Bank doesn’t have clear understanding of the unique needs of customers. STP needs to be done clearly to convert vision into reality. Generally they keep on collecting data but don’t try to segregate them. Databanks are needed to be made with great caution. Most financial services firms don’t select customers according to the portfolio of the products designed. A bancassurance strategy can succeed only if:

- It is able to distribute Insurance products in a cost effective way to customers.
- It offers a modification from Insurance company’s agents and tie up with Bank personnel
- Increase penetration rate
- It add up to quality of the product to be offered

Krishnamurthy (2003) tried to organize a blueprint for success of Bancassurance in India. The success of bancassurance would depend on a close relationship between the insurers and banks and the way they draw up strategies suited to their mutual interests and that of the customers. The role of SBI Life is also highlighted. To give momentum to Bancassurance as a distribution channel in India, there is a need to take apart the regulatory barriers. Bancassurance can provide one stop solution to financial needs of customers. RBI has allowed entry of banks in the insurance sector with practically no restriction as far as pure distribution arrangements are concerned, while retaining restrictions in respect of equity investments in insurance joint ventures. Banks can assume distribution of insurance products of one non-life and one life insurance Company as ‘corporate agents.’ Capital resources of banks are taken into consideration of banks hoping to offer Equity investment, the extent of its impaired assets, profitability and the general quality of the bank management. The equity investment is also generally restricted to a maximum of 50 per cent of the capital of the insurance venture for well-capitalized banks.

Bhattacharya (2003) highlighted that the success of bancassurance would depend on a close relationship between the insurers and banks and the way they draw up strategies suited to their mutual interests and that of the consumers. For this we
need to create a database of customer needs, synchronize them with the appropriate insurance packages, simplify procedures both at the level of insurers and banks, and ensure prompt after-sales service coupled with an effective on-line system of getting feedback from branches. Selling the packaged instruments as combined units of banking and insurance products will also require imparting necessary training to the staff and proper administration of the participating banks and insurers with a result-based data system working to perfection. A successful implementation of bancassurance can ensure a win-win situation for the banks, the insurers and the consumers.

Morris, (2003) said that the banking infrastructure with large customer bases provides insurers with a huge opportunity without painful startup expense overruns. Selling of life insurance is associated with innovative marketing practices, incentive-oriented compensation and more of consultative selling.

Venkitaramanan, (2003) said that bank culture is one built on relationships, lesser risk is involved and compensation scheme are relatively stable. Therefore, focus must be on the differences in the working of Insurance Company and Bank so as to make it easier for the customers to interact.

Kumar, (2003) gave SWOT analysis of bancassurance has concluded that the untapped potential is the major strength whereas lack of IT culture and inflexible products are a weakness. The huge network of banks and their databases is a major opportunity while resistance to change to an integrated approach may prove to be a serious threat.

Shetty, (2003) said that a too aggressive approach by banks may result in losing their existing customers whereas a passive approach may turn the customers towards agents who follow a personalized approach. Corporate cultures as well as marketing and distribution issues need to be addressed for successful implementation of bancassurance.

Neelakataiah (2003) explained the risks associated with banks are credit risk, liquidity risk and interest rate risks whereas insurance companies face underwriting, timing and investment risks.
Murthy & Seethapthi (2003) said that in order to avoid the clash between opposing risk management cultures the regulatory authorities should act in a prudent manner and ensure effective financial supervision, proper disclosure in order to bring convergence without adversely affecting the financial system in India.

Krishnamurthy (2003) said that in Europe, going in for bancassurance is covering the stringent risk based capital needs imposed by Basel Rules, which is a major fee-earning activity. The dismantling of regulatory barriers and impressive infrastructure of banks are optimistic points favouring bancassurance. Studies opine that bancassurance is currently emerging as the most favorable solution for the both Banks and Insurers.

Flur, Huston & Lowie (2003) explained the steps to start up bancassurance comprises of six steps namely developing the product, building distribution, generating sales lead, selling the product, processing the policy and finally administering the policy.

Hislop (2003) concluded that the challenge for bancassurance is to achieve synergy from working together and stand as a better option over standalone banks and insurance companies. Pay as well as training should be taken care of in order to develop synergy.

Lakshmikutty & Bhaskar (2003) highlighted that their experiences worldwide has proved that local approach is indeed essential as far as product development and execution of bancassurance strategies are concerned in order to have a competitive edge. The right kind of training, learning and right sales tools and technology are a must for the intermediaries. The aspect of socio cultural ethos must also be taken care of.

Ingram(2003) explained there are three core channel requirements on the basis of customer premises, which include the need to feel listened to, valued and understood. The insurers must choose a channel that fulfill the customer requirements and that may require transformation of organization systems, processes and capabilities.
Chandrasekar (2003) said that Bancassurance as a major distribution channel in Asia is imminent. Banks are moving towards making all kinds of financial alternatives whether saving or Investment available to their customers and bancassurance is one such endeavour, which is going to definitely have a vast say in India.

Kaliyamoorthy and Suresh (2003) clearly sited that the shift in the profile of customers (economic, demographic, political factors, social, and strategic choices) completely change the mindsets of customers. It led to the growth of service sector in developing and developed countries. It also indicates that it paved way of private players to capture the Insurance Market and increased the competition in the Market which in turn benefitted the customers by introduction of various new products and attaching unique benefits to make the presence of company in the market.

Kastler (2003) concluded that the Bancassurance has been successful in Spain, France, Portugal, Italy and in the Benelux region. There is slow growth in Greek, German, Swiss and U.K. markets. The regulatory support and changing market forces have provided an impetus to bancassurance in emerging markets such as India, Singapore, China, Indonesia and Phillipines, etc. The bancassurance model helps in making more choices to the customer’s and the Insurance Agents no more sell them forcefully. Customers can analyze from the choices available to them and end up choosing the best option according to their unique needs. This approach can reduce the distribution costs and create additional returns for the banking firm. An overview of bancassurance in Germany, France, Italy and U.K. has found that where bancassurance is highly developed, there is a high level of insurance activities integration by banks. Thus, the insurance companies must fully utilize their new distributors i.e. banks to expand their business.

Gupta and Bhyana (2002) talked about the disputes and approaches adopted by Insurance industry in India. The competitive positions of various Insurance players in the Industry and the differences in the products offered by them. After Liberalization in November 1999, many private players have also made their presence in Indian Insurance Industry. Awareness regarding LIC in market is still higher in comparison to private players. Facts reveal that only 15% of the
population is insured and penetration is also very low as 0.5% which is very less than other countries. So, there are bright prospects for private players because of high population and low penetration rates.

Benoist (2002) opined as a global movement that is gradually breaking down the traditional barriers between various business of supplying Financial products & Services. Insurers and banks have all set their sights on gold mine of household savings and all the related Asset Management business. Bancassurance is already a force to be reckoned with in some countries; the key advantages that have underpinned its development are now leading to the concept being turned on its head. It is concluded that there is no miracle model in Insurance, but a major movement in funds in which Bancassurance will gradually emerge as additional Distribution method. There are three golden rules:-

- The successful players will be the ones who are capable of tailoring the model to the context.
- Managing critical success factors: Quality, Innovation, short time-to market of new products, advanced technologies and low costs
- Building strong client relationships

Harrison & Ansell (2002) focused on the prediction of cross-selling opportunities and attempts to answer the questions of who is likely to buy additional products from the same company, what the next product is likely to be and when the purchase is likely to be made. The analysis is based on a sample of 9,000 customers selected at random from the data warehouse of a large International financial Institution. This paper discusses and illustrates the application of survival analysis techniques in this context and makes suggestions for further research.

L. Paige Fields, Donald R. Fraser, James W. Kolari (2002) said that the bancassurance (i.e., bank and insurance company combinations) model for financial firm architecture has been widely used in Europe and recently has been adopted by U.S. financial firms. We provide evidence regarding the viability of bancassurance combinations for U.S. and non-U.S. mergers between 1997 and 2002. We find positive gains and no significant risk shifts for shareholders of bidding firms, and that higher CEO stock ownership results in less positive gains for shareholders.
These and other results suggest that bancassurance firms are viable entities that may play an important role in the future evolution of the U.S. financial system.

Paresh Parasnis (2001) argued the alternative distribution channels in the life insurance industry in India and coming up new alternatives for Insurance. If Insurance sector has to bloom in India, it needs to spread awareness among rural population as they cover a major market share. They also need to break preconception of linking Insurance to Death. Products also need to be more strategically designed that provide best answer to the customer’s needs. The author also indicates future prospects for Life Insurance Industry in India and the challenges faced by it. Therefore, the best way to withstand the market challenges is to offer a complete solution for customer needs.

Morris (2001) opined that though Bancassurance in the Indian environment is at a very early stage of development, it is new and untried, and the potential is undoubtedly there. Though there may be some initial stumbling blocks, for example, clarity of legislation but the critical factor will be the selection of the right model and practical approach. Success will be likely to come more easily through the strategic alliances and cross share holdings. Use of right technology and awareness and education of the banking industry are other critical success factors for the insurance industry.

Munich Re Group (2001) informed about ways in which a bancassurance operation can be set up. The report discusses the various observed methods in use today under each of the following headings: — Contractual relationships between bank and insurer
— Product ranges
— Sales channels
— Remuneration methods and training in bancassurance operations

The report does not seek to cover all aspects of banking or of insurance operations, but concentrates on the special needs of a bancassurance operation in the above areas. The focus on Europe is deliberate since most developments in bancassurance up to the mid-1990s took place in Europe. This report is timely, however, because banks and insurers in other parts of the world, e.g. the USA, Canada and Asia, are
now developing bancassurance operations. In doing so, they seek to learn from the experiences of European bancassurers. Bancassurance covers a wide range of detailed arrangements between banks and insurance companies, but in all cases it includes the provision of insurance and banking products or services from the same sources or to the same customer base. The study is based on existing literature and on the many personal interviews and discussions which the author has had during his visits to many European Bancassurers in the UK, Ireland, Portugal, France, Spain, Germany and Greece. It is also based on the author’s experience from the practices that have been implemented at the author’s employer, EuroLife Ltd.

Carow(2001) said that Barriers to bank entry provided greater protection to some segments of the insurance industry than others. Stock price returns differ by industry segment. Insurance companies with insurance agencies and life/health insurance companies have the most negative stock returns, but insurance companies that market their products through a brokerage system have a more positive price reaction. The findings imply that banks may benefit brokerage firms that underwrite bank insurance sales; however, the sale of insurance by banks will increase competition for sales made by insurance agencies and life insurance companies. If the insurers have lost value, do banks gain this value? No, the average stock price of banks did not change surrounding the rulings that have allowed banks to enter the insurance sales market. The findings imply that investors anticipate that the value of banks entering the insurance market will not exceed the value of existing bank investment opportunities (zero long-term economic profits).

Krishnamurthy (2001) said that integration of the financial service industry in terms of banking, securities business and insurance is a growing worldwide phenomenon. The universal banking is evolving on these lines in India. Banks are the key pillars of India’s financial system. Public have immense faith in banks. Share of bank deposits in the total financial assets of households has been steadily rising (presently at about 40%). Banks have enormous retail customer base. Total of 406 million accounts with aggregate deposits of Rs.700,000 crore as at sept 2000. Share of ‘individuals’ as a category in bank accounts is steadily increasing. Rural and semi-urban bank accounts constitute close to 60% in terms of number of
accounts, indicating the number of potential lives that could be covered by insurance with the frontal involvement of banks. Banks worldwide have realized that offering value-added services such as insurance, helps to meet client expectations. Competition in the personal financial services area is getting 'hot' in India. Banks seek to retain customer loyalty by offering them a vastly expanded and more sophisticated range of products.

Barua (2001) said that-One of the more recent examples of financial diversifications 'bancassurance', the term given to the distribution of insurance products through branches or other distribution channels of the banks. The concept that originated in France, now constitutes the dominant model in a number of European and other countries and the same is fast catching up in India as well. The strategy for using the established, entrenched distribution network for one product to market other new products has long existed in the consumer goods sector. Thus the networks for soaps and detergents have been used by companies to distribute newly launched food products; the distribution channel for Rados has been used to market televisions and so on. Of course, the basic premise for this kind of cross selling is the fact that companies keep diversifying their product portfolios, using established 'incumbent' networks to promote and distribute new product lines. Banks, too, have in the recent past adopted this strategy both in India as well as internationally. They have moved away from the classical model of deposit taking and credit disbursal through their branch networks and have begun to offer a wide range of products and services like funds. This is the phenomenon of 'universal banking' that builds on the principle of leveraging existing networks to broaden portfolio offerings. Change in regulatory regimes has also facilitated this diversification.

Basu & Sekhar (2000) discussed the major hindrances in the path of Insurance sector is Ignorance. Facts reveal that only 15% of the population is insured and penetration is also very low as 0.5% which is very less than other countries. If Insurance sector has to bloom in India, it needs to spread awareness among rural population as they cover a major market share. They also need to break preconception of linking Insurance to Death. Products also need to be more strategically designed that provide best answer to the customer's needs.
Balino and Ubide (2000) stated that "Four trends are fundamentally altering the financial world: consolidation of institutions, globalization of operations, development of new technologies, and universalization of banking". The last vehicle for this transformation of the financial sector is the universalization of banking, which is increasingly blurring the boundary between bank and nonbank financial services. This trend has already well developed in certain European countries - as exemplified by the widespread distribution of insurance products through bank branches, a phenomenon known as bancassurance.

Bekier et al. (2000) opined more and more customers of financial-services companies turn to low-cost virtual-distribution channels, the higher-cost physical channels— traditional bank branches, in particular—will no doubt have a harder time earning their keep. Yet rumors of the death of bank outlets are exaggerated. Indeed, banks should find them a source of substantial value for years to come if they are carefully contoured to fit the rest of the distribution system and local market opportunities.

Oldenboom & Abratt (2000) stated that South African financial service managers were developing successful services with superior technological resources which are supported by expertise. A well devised distribution strategy and provision of channels are also important for performance. A product advantage has to be perceived by the clients. A perception of quality service that increases the consumer image of it is strongly linked to success. Developers who accumulate consumer insight by adequately and efficiently assessing the market can use that knowledge to promote the new service successfully to consumers and frontline staff. The findings of the study have a number of managerial implications.

Sethi (2000) said that- The life insurance industry in India has been progressing at a rapid pace since opening up of the sector in 2000. The size of the country, a diverse set of people combined with problems of connectivity in rural areas, makes insurance selling in India a very difficult proposition. Life insurance companies require immense distribution strength and tremendous manpower to reach out to such a huge customer base. This distribution will undergo a sea change as various insurance companies are proposing to bring insurance products into the lives of the common man by making them available at the most basic financial point, the local
bank branch, through Bancassurance. Simply put, bancassurance is the process through which insurance products are sold to customers at their local banks. With a banking network of 65,000 branches serving more than 300 million retail banking customers, insurance can be available at affordable prices to people even in remote corners of the country.

R. Krishnamurthy (2000) said that SBI Life is reaching out to the uninsured with simple plans. No other country has such a well-established banking infrastructure as India: over 65,000 bank branches across the country. Moreover, in India banks are symbols of trust and faith. In smaller towns, bank employees and managers are seen as investment and savings advisors. We believe the bancassurance channel will raise insurance awareness in India. SBI Life’s entire business model is based on the bancassurance model. The network of SBI branches will provide us the reach, so crucial in this business. Of course, we won’t force our banking customers to buy insurance merely because they have an account with us. But we believe our customers will find our products attractive there are misconceptions about how bancassurance will unfold: people think agents from insurance companies will sit in bank branches to sell insurance. That’s not the way to exploit synergies. In fact, we’ll develop marketing skills in bank employees to address customers’ needs and sell banking products that add value with insurance.

Berghe, Verweire & Carchan, (1999) said that the alternative entry vehicles for banks entering into insurance are distribution alliance (where there is cooperation agreement), joint venture (jointly owned separate legal entity), merger/acquisition (combination of two separate corporations) or de novo entry (greenfield entry with own underwriting). Bancassurance will succeed in India with its own bancassurance model.

Raghu Gulati (1999) in his study tried to understand the Life insurance market. The products generally demanded and needs of Insurance sector customers. Life Insurance business is based on matching the characteristics of products with customer’s unique needs. In India, Urban sector is well tapped by Insurance sector. But the other sectors still need to be harnessed. Major business comes from Rural sector and agents can suffice to the needs of Rural customers. Additionally more consideration should be given towards the products strategy. Term Plans can cater
to the needs of customers demanding basic Insurance product while Unit inked plans can serve as an answer to the customers ready to take risk.

Modawat, S.L. (1997) studies the change that had taken place between two decades in life insurance with particular reference to policyholders' weal and loops. The twin objective at the time of inception was to provide protection to all the section of society and to make available the investment in priority sectors. The study revealed no spectacular increase in business from rural areas but all efforts were made to exploit the vast and untapped potential from rural business. Life fund registered an increase at 12.83% in the year 1975-76. 17.7% the net lapse ratio was due to the misguidance of agents and development officers but targets were fixed realistically to bring down it.

Gidwani, S.J. (1996) strives to discover feasible resolution to find out monetary value of human life after death and the reason behind valuation after death. This helps to indicate the extent of Insurance cover needed by particular Individual. To analyze the value following methods were implemented:-

i. Ability to look into one's pocket to decide how much one can save fixed sum of money so that maximum life insurance can be purchased.

ii. Calculate individual average earning from future personal effort over the remaining year of productive life time, and

iii. Total expenditure met during lifetime represents cost of acquisition of human asset which is productive in subsequent year.

Goran bergandahl (1995) in an article understood that the development of bancassurance are based on three perquisite

(i) Branches cross- sell Insurance products

(ii) Customer Database can be used to customize products and sell accordingly.

(iii) Subsidiaries also offer products to the bank.

It is also revealed that, cross-sell of products is a feasible idea where number of customers dealing in each branch is suitably large than there are bright chances of success of bancassurance.

Shelton, (1995) said that with a totally different regulatory environment prevailing right now in India, which has allowed the entry of new players like bancassurance
and direct writers the standards have been raised in the context of distribution. The expectations of the customers have risen and hence there is a need to develop effective distribution strategies.

Bergendahl, (1995) study includes the hardening competition in banking has resulted in new avenues of integration and distribution, one of them being, bancassurance. The banks need to alter their strategies in order to be profitable in cross selling. The cost incurred in cross selling includes training of personnel, sales activities, information systems, customer service and administration. The benefits accrue both in the form of higher sales margins and more faithful customers.

Morgan, (1994) explained that while moving towards bancassurance it is important for organizations to build on existing values and culture. Integration (inter or intra) must be balanced with differentiation. Adequate stress on consistency and coherence of experience on the part of customers must be taken care of.

Boyed et al (1994) explored customer behavior in relation to the selection of a financial service provider. They examined customer's scores on selection criteria, such as reputation and friendliness by taking into account customer's demographic characteristics, e.g. size of household, household income, age and gender of household head. The results revealed that factors such as reputation, interest charged on loans and interest paid for saving accounts were critical, while less important were friendliness of employees and the modern facilities.

Farrance (1993) looks at a number of dynamics in the changing environment, particularly:

- The increasing discrimination of customers.
- The challenge facing banks and the strategic alternatives available.
- The difficulties of achieving a meaningful and sustainable customer relationship.

Bancassurance mergers (mergers between banks and insurance companies) have been found to be positive wealth creating events.

These all researches are giving the scope and support to my research area but mostly researches have not covered the effectiveness of bancassurance perspective. So taking the reference from these researches I have conducted my research in
bancassurance with special consideration on effectiveness and taking the view from bank, bank employees and customers