Chapter-4

Impact on Life
Insurance Corporation of
India to Private Insurance
Sectors
IMPACT ON LIFE INSURANCE CORPORATION OF INDIA TO PRIVATE INSURANCE SECTORS

With such a large population and the untapped market area of this population Insurance happens to be a very big opportunity in India. Today it stands as a business growing at the rate of 15-20 per cent annually. Together with banking services, it adds about 7 per cent to the country’s GDP. In spite of all this growth the statistics of the penetration of the insurance in the country is very poor. Nearly 80% of Indian populations are without Life insurance cover and the Health insurance. This is an indicator that growth potential for the insurance sector is immense in India. It was due to this immense growth that the regulations were introduced in the insurance sector and in continuation “Malhotra Committee” was constituted by the government in 1993 to examine the various aspects of the industry. The key element of the reform process was Participation of overseas insurance companies with 26% capital. Creating a more efficient and competitive financial system suitable for the requirements of the economy was the main idea behind this reform.
Life Insurance Corporation of India (LIC) was formed in September, 1956 by an Act of Parliament, viz. Life Insurance Corporation Act, 1956, with capital contribution from the Government of India. The then Finance Minister, Shri C.D. Deshmukh, while piloting the bill, outlined the objectives of LIC thus: to conduct the business with the utmost economy, in a spirit of trusteeship; to charge premium no higher than warranted by strict actuarial considerations; to invest the funds for obtaining maximum and efficient service to policy holders, thereby making insurance widely popular. Since nationalization, LIC has built up a vast network of 2,048 branches, 100 divisions and 7 zonal offices spread over the country.
Market share of the Life Insurance Companies:

Table – 1

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Insurer</th>
<th>First Year Premium</th>
<th>Year 2001-02</th>
<th>Year 2002-03</th>
<th>Renewal Premium</th>
<th>Year 2001-02</th>
<th>Year 2002-03</th>
<th>Single Premium</th>
<th>Year 2001-02</th>
<th>Year 2002-03</th>
<th>Total Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>LIC</td>
<td>10492.72</td>
<td>10630.80</td>
<td>30233.14</td>
<td>38651.73</td>
<td>9096.05</td>
<td>5345.96</td>
<td>49821.91</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>ING Vysya</td>
<td>4.19</td>
<td>17.40</td>
<td>-</td>
<td>3.50</td>
<td>-</td>
<td>0.26</td>
<td>4.19</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>HDFC std Life</td>
<td>22.24</td>
<td>74.51</td>
<td>0.69</td>
<td>19.51</td>
<td>10.54</td>
<td>54.80</td>
<td>33.46</td>
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</tr>
<tr>
<td>4</td>
<td>Birla Sunlife</td>
<td>18.09</td>
<td>107.65</td>
<td>0.15</td>
<td>14.36</td>
<td>10.02</td>
<td>21.91</td>
<td>28.26</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>5</td>
<td>ICICI Prulife</td>
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<td>53.52</td>
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<tr>
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<td>Om Kotak</td>
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<td>24.78</td>
<td>-</td>
<td>5.11</td>
<td>1.97</td>
<td>10.43</td>
<td>7.58</td>
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<tr>
<td>7</td>
<td>Tuta AIG</td>
<td>21.05</td>
<td>50.36</td>
<td>-</td>
<td>19.56</td>
<td>0.09</td>
<td>1.85</td>
<td>21.14</td>
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<td>16.13</td>
<td>-</td>
<td>0.50</td>
<td>14.18</td>
<td>55.75</td>
<td>14.69</td>
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<tr>
<td>9</td>
<td>Allianz Bajaj</td>
<td>6.63</td>
<td>50.31</td>
<td>-</td>
<td>5.79</td>
<td>0.51</td>
<td>13.08</td>
<td>7.14</td>
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<td>Max Newyork</td>
<td>35.65</td>
<td>57.52</td>
<td>0.15</td>
<td>29.28</td>
<td>3.16</td>
<td>9.79</td>
<td>38.95</td>
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<td>11</td>
<td>Metlife</td>
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<td>7.55</td>
<td>-</td>
<td>0.21</td>
<td>-</td>
<td>0.15</td>
<td>0.48</td>
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</tr>
<tr>
<td>12</td>
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<td>0.28</td>
<td>6.32</td>
<td>-</td>
<td>0.15</td>
<td>-</td>
<td>-</td>
<td>0.28</td>
<td></td>
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</tr>
<tr>
<td>13</td>
<td>Aviva</td>
<td>-</td>
<td>7.53</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5.93</td>
<td>-</td>
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</tr>
<tr>
<td>Private Total</td>
<td>170.49</td>
<td>629.95</td>
<td>4.03</td>
<td>151.49</td>
<td>98.02</td>
<td>328.18</td>
<td>272.55</td>
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<td>Grand Total</td>
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<td>11260.75</td>
<td>30237.17</td>
<td>38803.22</td>
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<td>5674.14</td>
<td>50094.46</td>
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Source: I.R.D.A. India Report

It is shown the table-1 that contribution of LIC in first year premium 10492.72 whereas often private companies contributed only 170.49. In which ICICI potential contributed 55.77 corer respectively (01-02).
### Table 2

**PREMIUM UNDERWRITTEN BY LIFE INSURANCE IN INDIA 2003-04**

(Rs. crore)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Insurer</th>
<th>First Year Premium</th>
<th>Renewal Premium</th>
<th>Single Premium</th>
<th>Total Premium</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>LIC</td>
<td>11759.47</td>
<td>46178.31</td>
<td>5229.83</td>
<td>63167.60</td>
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<tr>
<td>2</td>
<td>ING Vysya</td>
<td>71.33</td>
<td>16.41</td>
<td>0.77</td>
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<tr>
<td>3</td>
<td>HDFC Std Life</td>
<td>140.80</td>
<td>88.42</td>
<td>68.53</td>
<td>297.76</td>
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<tr>
<td>4</td>
<td>Birla Sunlife</td>
<td>426.52</td>
<td>87.68</td>
<td>23.34</td>
<td>537.54</td>
</tr>
<tr>
<td>5</td>
<td>ICICI Prulife</td>
<td>629.12</td>
<td>238.43</td>
<td>121.73</td>
<td>989.28</td>
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<td>6</td>
<td>Om Kotak</td>
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<td>25.21</td>
<td>24.15</td>
<td>150.72</td>
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<td>7</td>
<td>Tata AIG</td>
<td>176.73</td>
<td>71.93</td>
<td>4.86</td>
<td>253.53</td>
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<td>8</td>
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<td>18.62</td>
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<td>9</td>
<td>Allianz Bajaj</td>
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<td>41.25</td>
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<td>5.65</td>
<td>31.06</td>
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<tr>
<td>13</td>
<td>Aviva</td>
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<td>4.93</td>
<td>81.50</td>
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<td><strong>Private Total</strong></td>
<td><strong>2045.52</strong></td>
<td><strong>679.62</strong></td>
<td><strong>395.18</strong></td>
<td><strong>3120.33</strong></td>
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<tr>
<td><strong>Grand Total</strong></td>
<td>13804.99</td>
<td>46857.93</td>
<td>5625.01</td>
<td>66287.93</td>
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</tr>
</tbody>
</table>

Source: I.R.D.A. India Report

It is shown the table-2 that contribution of LIC in first year premium 11759.47 whereas often private companies contributed only 2045.52. In which Birla Sunlife & ICICI potential contributed 426.52 & 629.12 corer respectively.
<table>
<thead>
<tr>
<th>SI No.</th>
<th>Insurer</th>
<th>Total Premium u/w March (Rs lakh)</th>
<th>Total No. of Policies Issued</th>
<th>March (Rs lakh)</th>
<th>Apr.-Mar (Rs lakh)</th>
<th>Premium Policy</th>
<th>Market Share based on March (Rs %)</th>
<th>Apr.-Mar (Rs %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>TATA AIG</td>
<td>4738.99</td>
<td></td>
<td>30022.07</td>
<td>31148</td>
<td>229894</td>
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<td>2</td>
<td>KOTAK MAHINDRA OLD MUTUAL</td>
<td>23313.41</td>
<td></td>
<td>37475.21</td>
<td>14975</td>
<td>63468</td>
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<td>3</td>
<td>BIRLA SUNLIFE</td>
<td>13673.42</td>
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<td>198370</td>
<td>2.45</td>
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<td>4</td>
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<td>6</td>
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<td>48615.08</td>
<td>58695</td>
<td>206320</td>
<td>1.92</td>
<td>0.79</td>
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<td>7</td>
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<td>5603.71</td>
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<td>46682</td>
<td>0.22</td>
<td>0.18</td>
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<tr>
<td>8</td>
<td>BAJAJ ALLIANZ</td>
<td>36596.63</td>
<td></td>
<td>86001.80</td>
<td>83017</td>
<td>288191</td>
<td>3.39</td>
<td>1.10</td>
</tr>
<tr>
<td>9</td>
<td>ICICI PRUDENTIAL</td>
<td>42942.95</td>
<td></td>
<td>158408.46</td>
<td>96352</td>
<td>614673</td>
<td>6.25</td>
<td>2.34</td>
</tr>
<tr>
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<td>SBI</td>
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<td></td>
<td>48293.56</td>
<td>43271</td>
<td>129974</td>
<td>1.91</td>
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<tr>
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<td>AVIVA</td>
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<td>19229.27</td>
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<td>83209</td>
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<tr>
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<td>91.50</td>
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<td>2534287.67</td>
<td>7527698</td>
<td>26260468</td>
<td>100.00</td>
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</table>

It is shown the table-3 that contribution of LIC in first year premium 1978593.20 and marked share 91.50 whereas often private companies contributed only 555694.47 and 8.050 in which ICICI potential contributed 158408.46 crore respectively (a large chancing of Life Insurance business from private companies.)
The introduction of private players in the industry has added to the colors in the dull industry. The initiatives taken by the private players are very competitive and have given immense competition to the on time monopoly of the market LIC. Since the advent of the private players in the market the industry has been new and innovative steps taken by the players in this sector. The new players have improved the service quality of the insurance. As a result LIC down the years have been the declining phase in its career. The market share was distributed among the private players. Thought LIC still holds the 75% of the insurance sector but the upcoming natures of these private players are enough to give more competition to LIC in the near future. LIC market share has decreased from 95% (2002-03) to 81% (2004-05). The following companies have the rest of the market share of the insurance industry.
**NAME OF THE PLAYER** | **MARKET SHARE (%)**
--- | ---
LIC | 82.3
ICICI PRUDENTIAL | 5.63
BIRLA SUN LIFE | 2.56
BAJAJ ALLIANZ | 2.03
SBI LIFE | 1.80
HDFC STANDARD | 1.36
TATA AIG | 1.29
MAX NEW YORK | 0.90
AVIVA | 0.79
OM KOTAK MAHINDRA | 0.51
ING VYASA | 0.37
AMP SANMAR | 0.26
METLIFE | 0.21

The Life Insurance Corporation of India (LIC), which had lost 25 per cent of its business to private companies during the past four years, is likely to lose more market share in the life insurance sector in the year to some, ING Vysya Life Managing Director Frank Costar claimed.

Costar said the present market share of LIC, which had enjoyed monopoly prior to the opening of insurance sector to private players in the country in 2001, had come down to 75 per cent of the total life insurance business. He said the LIC had been losing over half per cent (0.5 per cent) of its market share to private companies every month and this trend might continue.
Marketing Finance of Life Insurance Companies:

Life Insurance Market in India:

By any yardstick, India, with about 200 million middle class households, presents a huge untapped potential for players in the insurance industry. Saturation of markets in many developed economies has made the Indian market even more attractive for global insurance majors. Table 1 reflects the low percentage and per capita penetration of insurance in India compared to other developed and developing countries.

With the per capita income in India expected to grow at over 6% for the next 10 years and with improvement in awareness levels, the demand for insurance is expected to grow at an attractive rate in India. An independent consulting company, The Monitor Group has estimated that the life insurance market will grow from Rs. 218 billion in 1998 to Rs. 1003 billion by 2008 (a compounded annual growth of 16.5%).
WINDS OF CHANGE:

Reforms have market the entry of many of the global insurance majors into the Indian market in the from of joint ventures with Indian companies. Some of the key names are AIG, New York Life, Allianz, Prudential, Standard Life, Sun Life Canada and Old Mutual. The entry of new players has rejuvenated the erstwhile monopoly player LIC, which has responded to the competition in an admirable fashion by launching new products and improving service standards. The following are the key winds of change brought about by privatization.

Market Expansion: There has been an overall expansion in the market. This has been possible due to improved awareness levels thanks to the large number of advertising campaigns launched by all the players. The scope for expansion is still unlimited as virtually all the players are concentration on large cities and towns – except by LIC to an extent there was no significant attempt to tap the rural markets.

New Product Offerings: There has been a plethora of new and innovative products offered by the new players, mainly from the stable of their international partners. Customers have tremendous choice
from a large variety of products from pure term (risk) insurance to unit -linked investment products. Customers are offered unbundled products with a variety of benefits as riders from which they can choose. More customers are buying products and services based on their true needs and not just for long-term protection and savings. However, there are still some key new products yet to be introduced – e.g. health products.

**Customer Service:** Not unexpectedly, this was one area that witnessed the most significant change with the entry of new players. There is an attempt to bring in international best practices in service and operational efficiency through use of latest technologies. Advice and need based selling is emerging through much better trained sales force and advisors. There is improvement in response and turnaround times in specific areas such as delivery payment, settlement of claims etc. However, there is a long way to go and various customer surveys indicate that the standards are still below customer expectation levels.
Channels of Distribution: Till two years back, the only mode of distribution of life insurance products was through Agents. While agents continue to be the predominant distribution channel, today a number of innovative alternative channels are being offered to consumers. Some of them are banc assurance, brokers, the internet and direct marketing. Though it is too early to predict, the wide spread of bank branch network in India could lead to banc assurance emerging as a significant distribution mechanism.

Table 2 below gives a snapshot of the performance for 2003-04 (up to October) of the 13 life insurance payers in India based on the first year.

STRATEGIC ALTERNATIVES

If one analyses the history of growth of the insurance industry since reforms, it is marked by all-round growth of all players. More or less all players (including the market leader LIC) have aggressively recruited and trained advisors, appointed agents, launched new products, improved customer service standards and revamped/
expanded their distribution networks. If at all there was any major
difference between players it was only in time lag in launching of
services. Every player would like the customers to believe that its
service standards are the best or that its agents are the most informed
and ethical, but is debatable whether there are any significant
differences. In other words, each company is trying to be everything to
everybody.

Our argument is that the strategy of being everything to
everybody is risky. Some players justify the above strategy on the
basis that the Indian market is huge and it can accommodate
everybody. Still, in a market where it is difficult to distinguish oneself
sufficiently on service or any other parameter to be able to charge a
premium, it will lead to unmitigated price competition to the detriment
of all players. One may achieve sales turnover, but margins and
profitability will suffer severely. In the insurance industry where large
amounts of capital are required, this is risky.
Chapter--I

While there is room for a few scale players with a finger in every pie, it is profitable for other players to focus on different segments to survive and thrive in a multi-firm open environment. While each company has to choose its own unique positioning based on its unique strengths, the below-mentioned generic positioning alternatives appear worth considering. Needless to say the positioning choices discussed here are not mutually exclusive and can be overlapping. Variety-based Positioning

This type of positioning is based on varieties in products and services rather than customer segments. It is a sensible strategy for those companies who have distinctive advantages or strengths in offering certain products and services. In the insurance industry too, it is possible to achieve a unique position by focusing on certain category of products. One such example is Birla Sun life Insurance, which has been placing particular focus on investment-related products since its launch in India. Through its superior fund management capabilities, the insurance company can deliver better
returns on its investment-linked products and thereby carve for itself a leadership position in this segment.

Then there is the entire category of pension products which is widely touted to have immense growth potential in India due to imminent pension reforms. It is possible to achieve profitable positioning by focusing and excelling in only pension products.

**Needs-based Positioning:**

This is the most commonly understood positioning and is based on the differing needs of different groups of consumers. This can be done successfully if a company has unique strengths to service a group of customer needs better than others.

The insurance needs customers vary significantly for different groups of customers. The insurance needs of young family with small children will be quite different from that of a family in which the income-earner is close to retirement. However, in India most of the life insurance companies have a wide variety of products tailored for
different customer needs and there is no company focusing on a particular customer need. An example would be a life insurance company that focuses only on High Net-worth Individuals (HNIs). The needs of HNIs would be quite different from those of a general consumer and would require an entirely different marketing mix right from the type of products offered and the way they are distributed, to the promotion methods employed.

Access-based Positioning:

Positioning of customers can also be done by the way they are accessible. That is different groups of customers may be accessible in different ways even thought they may have similar needs. Access is typically a function of customer geography or customer scale. There is excellent opportunity in the insurance industry to employ access-based positioning by targeting the rural insurance sector. The rural market for life insurance is very different from the urban market in terms of needs, income levels and distribution (seasonality, for example), penetration of media and so on. So far except for LIC, no other player has paid any attention or focus on the rural sector. Contrary to
common perception it is a big opportunity as emphasized repeatedly by such eminent strategists like C.K. Prahlad. Rural market can be a highly profitable position if one is able to carefully plan and tailor an entire set of low-cost activities of advertising, distribution, and product design etc. to successfully exploit the potential.

CHOOSING THE RIGHT STRATEGY:

The right strategic choice is not a matter of positioning choice alone. It involves the very way a company organizes itself to do business. It is the configuration of the entire value chain of the company through a different set of activities to deliver unique value to consumers. The set of activities cover all upstream and downstream activities, from the selection of the product mix, the way the products are priced, promoted, the type of distribution mechanism used, the way customers are serviced and so on.

Some life insurance companies focusing on rural market have adopted innovative means of distribution. Instead of appointing agents as is done typically, they have used grosbeaks in different villages
across the country to promote life insurance and as their sales arm. This enabled them to tap into their special knowledge of their local.

**Finance of Life Insurance Companies in India:**

Hindsight says the Insurance Regulatory Development Authority (Irda), underestimated the ability of private insurance to corner Big Brother Life Insurance Corporation of India (LIC). Ever since the sector was thrown open in December 2000 private players have been doing better than anyone had hoped. The numbers tell the story: the top five private insurance companies in the life sector have together mopped up almost Rs.1, 000 crore new businesses against Rs5, 844.7 crore by the LIC in the first five months of the financial year 2004-05.

When the sector opened up, the then chairman of Irda, N Rang chary, had predicated that private insurance companies would take about 10 years to capture about 10 percent market share. Clearly the regulator has been proved wrong. The new kids on the block have already cornered almost 20 per cent of the market going by Irda's
latest score card, with LIC just about holding onto to 82-odd per cent. Its market share has declined sharply from 89.71 per cent in August 2003 while the private sector are multiplying their individual and group business.

Among the private players, ICICI Prudential Life Insurance is far ahead of competition. Birla Sun Life Insurance canters behind second, just a neck ahead of Bajaj Allianz Life; HDFC Standard Life, which was among the first to commence operations, has been displaced and is now in the fifth position after SBI Life.

Together, the five players today have cornered new premium income of Rs 949.6 crore, about 16 per cent of LIC’s new premium income as on August 2004. The competition has got off to a great start, and the industry’s leviathan is now talking of regaining lost market share.

The new LIC chairman’s immediate challenge would be to regain market share. We are poised to do so, having in the last couple
of months regained about 0.4 per cent spoils, pointed out LIC's outgoing chairman S B Mathur.

So, who are the winners and losers in the great insurance derby? After the third lap— in terms of the number of years since the sector was opened to competition—ICICI Prudential Life Insurance continues to be the frontrunner. The numbers show that it has hit the right buttons, scoring on two out of three key fronts. It has sold 1,81,635 policies, which is more than double of its closest rival Tata AIG Life. It has also emerged on top in premium collections—of over Rs 399 crore. Where it has faltered behind competition has been in terms of the number of lives covered. Having covered just about 31,965 lives this year so far, ICICI Prudential stands way down in eighth place, after Kotak Mahindra Old Mutual Life and Max New York Life. Interestingly, just as Birla SunLife Insurance has moved swiftly up the ladder over the past couple of years, Bajaj Allianz, the dark horse, has made rapid strides, pushing up its place in the first quarter of fiscal 2005.
Bajaj Allianz has underwritten new premium income of Rs 190 crore in the first six months of fiscal 2005, more than what it earned in the entire financial year 2003-04 at Rs 179 crore. Largely this has been on accord of our sale of unit-linked plans, which account for about 60 per cent of new business. Further our large distribution in terms of bank branches and 30,000-strong agents, have also helped, says the company's chief financial officer & head banc assurance, Mukul Gupta. The other dark horse is SBI Life. When Mathur was asked by Business Standard whom he thought as his greatest competitor, he did not utter ICICI prudential Life, but SBI Life. Topping the charts in terms of the number of lives covered is SBI Life with a market share of over 10.2 per cent having covered 2,64,883 lives. Tata AIG Life comes a distant number two having covered just about 1,29,927 lives to date this year. Interestingly it is the smaller players like MetLife and Aviva, which have scored better than market leaders.

**Various plans of Life Insurance Company:**

LIC offers basket of schemes to meet the various needs of an individual and his family.
I. Basic Life Insurance Plans

1) **Whole Life Assurance Plan**: A low cost with profits insurance plan where the Sum assured is payable on the death of the life assured, whenever it occurs. (Table Nos. 2, 5 & 8) or on maturity claim after the life assured attains age 80 yrs. Subject to certain conditions.

2) **Endowment Assurance Plan**: Under this plan, the Sum Assured is payable along with accrued bonuses on maturity or on death of the life assured, if earlier (Table Nos. 14 & 48).

II. **Jeevan Anand**: This is a unique with-profits plan which combines the features of the Endowment and Whole Life Plans. The basic sum assured plus accrued bonus is payable to the policyholder on his survival fill the end of the premium paying term. An additional sum assured is payable to the nominee on the death of the Policyholder after the expiry of the premium paying term. On death during the premium paying term, the basic sum assured plus accrued bonus is payable to the nominee and the policy comes to an end (Table No. 149)
II. Term Assurance Plans :

III. LIC's Anmol Jeevan-I: This is a pure Term Assurance plan for terms varying from 5 to 25 years and provides for payment of the Sum Assured on the death of the policyholder during the term of the policy (Table No. 164). Most suited to cover risk of outstanding housing / vehicle Loans.

III. Two-Year Temporary Assurance Plan: Term assurance for a period of 2 years is available under this plan. The sum assured is payable only on the death of the life assured during the policy term (Table No. 43).

III. Convertible Term Assurance Plan: The plan provides for term assurance for 5 to 7 years with an option to convert to a Limited Payment Whole Life Policy or on Endowment Assurance Policy without having to undergo fresh medical examination if the option for conversion is exercised at anytime during the specified term except during the last 2 years, provided the policy is in full force. (Table No. 58).
III. **New Bima Kiran**: It provides for insurance cover at a low cost. In addition to return of premiums paid, this plan provides for Loyalty Additions, if any, in-built accident cover and a Term Cover after maturity, if the policy is in full force on the date of maturity. (Table No. 150). Most appropriate for low to middle income groups.

III. **Specific Plans for Children**:

Various children's plans are available viz. Children's Deferred Endowment Assurance (Table No. 41, 50). Komal Jeevan and Jeevan Kishore with facility of Premium waiver benefit.

IV. **Pension Plans**:


The annuitant has five options of annuity payments to choose from, including annuity for Life with return of purchase price on death.
Risk cover by way of Term rider option available. Premiums paid under new Jeevan Suraksha-I up to Rs. 10,000/- are exempted from income tax under Section 80CCC.

V. Plans for Handicapped Dependents:

1) **Jeevan Asdhar**: This is a limited payment whole life policy with guaranteed additions at the rate of Rs. 100/- per thousand Sum Assured p.a. where the claim amount is paid partly in a lump sum and partly in the form of an annuity. Income Tax Relief under Section 80DD of income Tax Act, 1961 is available. (Table 114).

2) **Jeevan Vishwas**: This is an Endowment type plan designed for the benefit of handicapped dependants whose degree of handicap may not fulfill the definition of disability laid down for the Jeevan Asdhar Plan. The benefit is payable partly in a lump sum and partly in the form of an annuity (Pension). The plan also provides for Guaranteed and loyalty additions. (Table No. 136). Premiums are exempted from income Tax under Section 88.
VI. Other Plans:

1) **Mortgage Redemption:** Suitable for borrowers repaying a loan in installments as it ensures that the outstanding loan is repaid in the event of the borrower's death. (Table No. 52).

2) **New Jana Raksha:** Ideal for all but especially for people with no regular income. It provides for option of premium holidays up to 3 years from the first unpaid premium during which period death cover will be available, provided at least 2 full years premiums have been paid. (Table No. 91). Most suited to industrial workers and farmers small businessmen etc.

3) **Fixed Term (Marriage) Endowment/Educational Annuity:** An ideal Plan for making provision for education start-in-life or marriage of children. Claim/Annuity is payable after expiry of policy term. (Table No. 90).

4) **Money Back Plans:** Besides providing life cover during the term (of 20 & 25 years) of the policy survival benefits linked to the sum assured during the term of the policy will be available. (Table No. 75, 93).
5) **Jeevan Surbhi**: A money Back Plan where premiums are payable for a limited period with periodical increase in insurance cover by 50% of the basic sum assured after every five years. (Table No. 106, 107, 108).

6) **Jeevan Rekha**: This plan is combination of the Whole Life and Money Back Plans. 10% of the sum assured is payable on survival after every five years from the date of commencement. The sum assured and vested bonuses are payable on the death of the life assured of any point of time without deduction of survival benefits paid earlier. (Table No. 152).

7) **Jeevan Samriddhi**: This is a Money Back type plan with provision for Guaranteed Additions of Rs. 65 per thousand Sum Assured and Loyalty Additions if any payable on maturity or death earlier. The plan is available for terms 12, 15, 20 and 25 years. (Table No. 154, 155, 156 & 157).

8) **Jeevan Saathi**: A double cover joint Life Endowment Assurance plan for husband and wife. (Table No. 89).
9) **Jeevan Mitra**: An Endowment Assurance plan providing for twice or thrice the sum assured payable on the death of the life assured during the policy term. (Table No. 133).

10) **LIC’s Jeevan Shree-I**: A limited payment Endowment Assurance plan with Guaranteed Additions for the first five years and bonus additions thereafter. A policy designed for short careerist’s professional’s keypersons High Networth Individuals & agriculturists. (Table No. 162).

11) **Jeevan Bharati**: Money Back plan exclusively for ladies with Guaranteed Additions for the first five years and bonus thereafter with additional benefits such as female critical illness benefit and congenital disability benefit (Table No. 160).

12) **LIC’s Jeevan Saral (Table No. 165)**: A plan that provides the policyholder with the good features of conventional products and the flexibility of a unit-linked product.

13) **Bima Nivesh 2004 (Table No. 166)**: A single premium plan with compounding Guaranteed Additions of Rs. 40 and Rs. 45 per thousand per annum payable on death or maturity.
VII. Unit-Linked Plan – (Bima Plus):

A unit linked plan providing an opportunity for the discerning investor to benefit from the returns available in the Capital Market without going for direct investment in the capital market. Bema Plus offers a choice of three funds (Secured Balanced & Risk) with different risk profiles depending on different patterns of investment in equities, debts and liquid assets. The policyholder is allocated units which are valued every week. The plan offers life cover up to Rs. 10 lac and accident cover up to Rs. 2 lac. [Option to invest additional amounts over & above basic S.A] (Table NO.140). (Riders available: LIC also offers rider benefits on its endowment and money back type products such as Accident Benefit Rider, Term Assurance Rider and Critical Illness rider.)

Various Plans of Private Insurance Companies:

AVIVA Life Insurance:

Products & Services:

The right investment strategies won’t just help you plan for a more comfortable tomorrow—they will help you get *Kal Par Control*. 
At Aviva, life insurance plans are created keeping in mind the changing needs of you and your family. Our life insurance plans are designed to provide you with flexible options that meet both protection and savings needs.

We offer our customers a full range of transparent, flexible and value for money products that include whole life (Lifelong), endowment (Lifesaver Easy Life plus), Child policy (Young Achiever) single premium (Life Bond, Life Bond Plus), Pension (Pension Plus), Term (Life Shield) and a 5 year recurring premium investment cum protection plan (Lifebonds5). Aviva products are modern and contemporary unitized products that offer unique customer benefits like flexibility to choose cover levels, indexation and partial withdrawals.

We also offer you a choice of investment options. You can choose between our Unit Linked Fund and our With Profits Fund. The with Profits Fund guarantees that the selling price of the units will never fall. The unit value of this fund is increased by crediting
bonuses on a daily compounding basis. The fund provides investment security to your capital.

The Unit Linked Fund is designed to provide relatively more progressive capital growth wherein you automatically receive the benefit related to the investment performance of the fund. Under unit Linked Fund on some of our products we offer a choice of fund options:

**Secure Fund**: The investment objective of this fund is to provide progressive return on your investment with a capital guarantee on maturity. The fund comprises of debt securities in the range of 50-100%, equities in the range of 0-20% and money market and cash in the range of 0-20%. Initially the equity exposure will be 10%.

**Growth Fund**: The investment objective of this fund is to provide high capital growth by investing higher element of assets in the equity market. The fund will comprise of debt securities in the range of 0-20%. Initially the equity exposure will be 75%.
**Balanced Fund**: The investment objective of this fund is to provide capital growth by availing opportunities in debt and equity markets and providing a good balance between risk and return. The fund comprises of debt securities and cash in the range of 0-10%. This is Aviva’s flagship fund with the current asset mix on December 31, 2003 being equities 42.67%, government securities 52.89% and cash and money market 4.44%.

Aviva also offers a whole range of group insurance products and corporate solutions. We have a dedicated team that work with corporate across the country.

**A M P Sanmar Life Insurance**:

**INDIVIDUAL PLAN**

(1) Subha Shree
(2) Yava Shree
(3) Nitha Shree
(4) Divya Shree
(5) Bhagya Shree
(6) Kanatca Shree

(7) Kaksha Shree

Group Term Assurance

**Individuals Plans**

The range of New York Life products is designed to cater to specific individual life insurance needs depending on your requirements.

**Unit Linked:**

Life Maker™ Unit Linked Investment Plan

**Protection:**

Whole Life Par & Whole Life Non-per

Level Term

Term Renewable and Convertible

**Savings:**

Life Gain Endowment Plan

Life Pay Money Back Plan

Life Gain plus™—A Limited Pay Endowment Plan

20 years Endowment Plan
Retirement:

Easy Life™- Retirement Plan

Endowment to age 60 Plan

Children:

Children’s endowment 18 & 24

Stepping Stones™ – A Child Money Back Plan

Group Insurance Product:

(1) Group Term Insurance

(2) Employee Deposit Linked Insurance

(3) Credit Shield

(4) Group Gratuity

(5) Group Superannuation

MetLife India Insurance:

Products & Services

Limited Pay Whole Life Insurance

Money Back Assurance

Endowment Assurance

MET Riders like
Limited Pay Whole Life Insurance

MET 100

Want lifetime protection

Want to pay affordable premiums

Want access to cash value of the policy

Want tax advantages

MET 100 offers the following guarantees:

Coverage unit the age of 100

Fixed premium amount

Fixed payment period (choose your term of payment - 15, 20 or 25 years based on current age)

Enjoy the peace of knowing your legacy is protected unit the age of 100 or until death – whichever comes first. And with our best wishes and prayers, on your 100th birthday you collect the insurance amount.

Money Back Assurance

MET SUKH

Want money back at regular intervals

Want to grow savings
Want the protection of insurance

Want tax advantages

**MET Sukh offers the following guarantees**

Payback of 20% of sum assured at the end of 5, 10 and 15 years

Coverage for the term of the policy

Fixed premium amount

Fixed payment period of 20 years

Guaranteed surrender value of the policy – during the life of the policy, after the first 3 years

Live with the satisfaction of knowing that you can meet your family's needs as they arise – a child's school or college admission, a down payment on a house loan, a marriage or even a holiday abroad. Live with the satisfaction that you are protecting your future at your own pace and cost. If the unforeseen should happen during the term of the policy, your family gets the face amount of the policy plus 10% of face amount of the policy for each year of premium paid.

Talk to your MetLife India financial advisor who will help you define how best you can use this policy to match your needs. Needs
like offering the warmth of protection to your loved ones should something happen to you; needs like securing your future at your personal convenience.

**Endowment Assurance:**

**MET SHANTI**

**THE IDEAL POLICY FOR THOSE WHO:**

Want to ensure future prosperity

Want protection

Want access to cash value of the policy

Want tax advantages

**ICICI Prudential Life Insurance**

**PRODUCTS**

**Insurance Solution for Individuals**

ICICI Prudential Life Insurance offers a range of innovative, customer-centric products that meet the needs of customers at every life stage. Its products can be enhanced with up to 5 riders, to create a customized solution for each policyholder.
Savings Solutions

Secure Plus is a transparent and feature-packed savings plan that offers 3 levels of protection.

CashPlus is a transparent feature packed savings plan that offers 3 levels of protection as well as liquidity options.

Save’n’protect is a traditional endowment savings plan that offers life protection along with adequate returns.

Cash bank is an anticipated endowment policy ideal for meeting milestone expenses like a child’s marriage expenses for a child’s higher education or purchase of an asset.

Life Time & Lifetime II offer customers the flexibility and control to customize the policy to meet the changing needs at different life stages. Each offer 4 fund options – Preserver, Protector, Balancer and Maxi miser.
Life Link II is a single premium Market Linked Insurance Plan which combines life insurance cover with the opportunity to stay invested in the stock market.

Premier Life is a limited premium paying plan that provides capital guarantee on the invested Premiums and declared bonus interest.

Invest Shield Life is a Market Linked plan that provides capital guarantee on the invested premiums and declared bonus interest.

Invest Shield Cash is a Market Linked plan that provides capital guarantee on the invested premiums and declared bonus interest along with flexible liquidity options.

Invest Shield Gold is a Market Linked plan that provides capital guarantee on the invested premiums and declared bonus interest along with limited premium payment terms.
Protection Solutions:

Life Guard is a protection plan which offers life covers at very low cost. It is available in 3 options level term assurance level term assurance with return of premium and single premium.

Child Plans:

Smart kid education plans provide guaranteed educational benefits to a child along with life insurance cover for the parent who purchases the policy. The policy is designed to provide money at important milestones in the child’s life. Smart kid plans are also available in unit linked from both single premium and regular premium.

Retirement Solutions:

Forever Life is a retirement product targeted at individuals in their thirties.

Secure plus Pension is a flexible pension plan that allows one to select between 3 levels of cover.
Market-linked retirement products:

Life Time Pension II is a regular premium market linked pension plan.

Life Link Pension II is a single premium market linked pension plan.

Invest Shield Pension is a regular premium pension plan with a capital guarantee on the ingestible premium and declared bonuses.

Golden Years is a limited premium paying retirement solution that offers tax benefits up to Rs 100,000 u/s 80c, with flexibility in both the accumulation and payout stages.

ICICI Prudential also launched ‘Salaam Zindagi’ a social group insurance policy targeted at the economically underprivileged sections of the society.

Group Insurance Solutions:

ICICI Prudential also offers Group Insurance Solutions for companies seeking to enhance benefits to their employees.

ICICI Pru Group Gratuity Plan: ICICI Pru’s group gratuity plan helps employers fund their statutory gratuity obligation in a scientific
manner. The plan can also be customized to structure schemes that can provide benefits beyond the statutory obligations.

**ICICI Pru Group Superannuation Plan:** ICICI Pru offers a flexible defined contribution superannuation scheme to provide a retirement kitty for each member of the group. Employees have the option of choosing from various annuity options or opting for a partial commutation of the annuity at the time of retirement.

**ICICI Pru Group Term Plan:** ICICI Pru's flexible group term solution helps provide affordable cover to members of a group. The cover could be uniform or based on designation/rank or a multiple of salary. The benefit under the policy is paid to the beneficiary nominated by the member on his/her death.

**Flexible Rider Options:**

ICICI Pru Life offers flexible riders, which can be added to the basic policy at a marginal cost depending on the specific needs of the customer.
Accident & disability benefit: If death occurs as the result of an accident during the term of the policy the beneficiary receives an additional amount equal to the sum assured under the policy. If the death occurs while traveling in an authorized mass transport vehicle the beneficiary will be entitled to twice the sum assured as additional benefit.

Accident Benefit: The rider option pays the sum assured under the rider on death due to accident.

Critical Illness Benefit: protects the insured against financial loss in the event of 9 specified critical illnesses. Benefits are payable to the insured for medical expenses prior to death.

Income Benefit: This rider pays the 10% of the sum assured to the nominee every year till maturity in the event of the death of the life assured. It is available on Smarkid Secure Plus and Cash Plus.

Waiver of Premium: In case of total and permanent disability due to an accident the premiums are waived till maturity. This rider is available with Secure Plus and Cash Plus.
Sahara India Life Insurance Company Ltd:

First Wholly -Indian-Owned Private Life Insurance Company.

The Company commenced operations w.e.f. 30th October, 2004 with four products viz. Sahara Nidhi (Endowment), Sahara Sampan (Money Back), Sahara Nischint Bhavishya (Term Assurance with return of Premium), Sahara Amar Jeevan (Pension) Plans. Accident benefit and permanent disability is also offered as a rider with the above products. The company also proposes to launch shortly other products including unit Linked Plan.