PREFACE

The story of insurance is probably as old as the story of mankind. The same instinct that prompts modern businessmen today to secure themselves against loss and disaster existed in primitive men also. They too sought to avert the evil consequences of fire and flood and loss of life and were willing to make some sort of sacrifice in order to achieve security. Thought the concept of insurance is largely a development of the recant past, particularly after the industrial era- past few centuries.

In the immediately followed the World War-II, the need for setting up of special financial institution was felt by a number of countries both developed and undeveloped for meeting the problems of reconstruction and quicker economic development. For this India also came in queen in establishing special financial institution wherever necessary. After the Industrial Policy Resolution of 1948 and 1956 there arose a need for a single corporation, which can amalgamate all insurance companies and mobilize the small savings of individuals into proper channels so that they could be available for the industrial development of the nation. This led to the nationalization of LIC in October 1956.
Insurance has always been a politically sensitive subject in India. Within less than 10 years of independence, the Indian government nationalized private insurance companies in 1956 to bring this vital sector under government control to raise much needed development funds.

Since then, state-owned insurance companies have grown into monoliths, lumbering and often inefficient but the only alternative. They have been criticized for their huge bureaucracies, but still have millions of policy-holders as there is no alternative.

Any attempt to even suggest letting private into this vital sector has met with resistance and agitation from the powerful insurance employees unions. The Narasimha Rao's government (1991-96), which unleashed liberal changes in India’s rigid economic structure, could not handle this political hot potato. Ironically, it is the coalition government in power today, which has declared its intention of opening up insurance to the private sector. Ironical because this government is at the mercy of support from the left groups, which have been the most vociferous opponents of any, such move.

No policy initiatives have yet been announced, but the government has already clarified it will not privatize the existing
insurance companies. But while the decision has been welcome by the big companies who were planning to make a foray into this lucrative business, trade unions and even some left supporters of the government have criticized the move.

In some ways it was inevitable—all segments of the financial sector had been opened to private players and it was only a matter of time before insurance followed. The bigger private players claim that opening up insurance will give policy-holders better products and service; the opponents of privatization argue that in a poor country like India insurance needs to have social objectives and newcomers will not have that commitment.

Many international players are eyeing the vest potential of the Indian market and are already making plans to come in. But it will take some time before the intent translates into policy—the unions are not going to give up without a fight and in that they will get the support of some elements of the coalition government. In the atmosphere at globalization the consumers desire increase movement by movement. To provide better services and schemes for changing consumers, there was the challenge for the nationalized, monopolistic LIC. For the above reasons there was easy to come many private life insurance companies in Indian Life
Insurance market. The government of India registered eleven private insurance companies on 31st December 2008, and they started their business in India. After this there were some other private life insurance companies came in the market. There are following private life insurance companies- TATA AIG, Kotak Mahindra, Birla SunLife, Max New York, ING VYSYA, HDFC Standard, MetLife, Bajaj Allianz, ICICI Prudential, SBI, Aviva, AMP Sanmar, Sahara Life, DLF Life Insurance, AEGON, Religare Life Insurance, Canara, HSBC, Oriental Bank of Commerce Life Insurance, IDBI Fortis Life Insurance, Future General Life Insurance, Bharti AXA Life Insurance, Shriram Life Insurance.

The data for the present study have been collected from the primary as well as secondary sources both viz. from policy-holders and annual reports of various life insurance companies. Information has been also collected and rectified through supportive evidence in different journals and magazines in the area of life insurance. In addition to this the researcher also visited the head office and branch offices of different life insurance companies and collected information through personal interview.

The thesis has been arranged into the first chapter introduce the subject, the L.I.C. of India followed by origin development,
objective & organization at structure, the public and private life insurance companies in India and the impact on LIC of India to private insurance sectors. The second chapter deals with research methodology. The third chapter goes on the data analysis and interpretation. In the fourth chapter we discuss about marketing strategy. The last chapter includes conclusion and suggestion.