CHAPTER 4

LIFE INSURANCE CORPORATIONS – AN OVERVIEW

4.1 Presentation

Protection could likewise be spoken to as a social gadget is scale back or take out dangers of misfortune to life and property. It's an arrangement that a reasonable man makes against inescapable contingences, misfortune or hardship. Underneath the course of action of protection, a larger than average assortment individuals relate themselves by sharing dangers associated with people as in camera life; in business also there are perils and dangers of different sorts. The point of each sort of protection is its manufacture arrangement against such perils. The dangers which may be protected against grasp hearth, the risks of sea (marine protection), demise (life coverage) and mishaps and lawful offense. Any hazard dependent upon these could likewise be guaranteed against at a premium a similar with the possibility concerned. In this way, aggregate orientation of hazard is protection. Yogakshema, Vahamyahan, the celebrated words from Lord Krishna talks at Kursagarshetra, is that the catchphrase. LIC has convincingly utilized of these years as a part of its restraining infrastructure symbol as a sole life coverage firm, "Your LIC broadcasts through its catchphrase. As far back as the life affirmation exchange was nationalized in one956 and in this manner the life certification Corporation (LIC) conceived on first April, 1956, the restraining infrastructure developed in size and stature with every passing decade. In a measure of a large portion of a century, the protection division inside the nation has returned a full hover from being partner degree open aggressive market to complete nationalization then back to a changed market. The passage of individual players inside the Indian protection advertise has altered the character of rivalry and consequently the overwhelming firms of those players has hyperbolic customer mindfulness. This has intersection rectifier to fast increment in protection business and a sizeable pick up of this has furthermore been procured by LIC.

The protection exchange Asian nation is at present open and thusly the new players have as of now begun catching the piece of the overall industry of the LIC. One gauge is that the LIC has lost about 18% as of now by the tip of 2004-05. With pertinence higher than reasons, the "Analyst" has set to go through the approach
administration as and moreover to take a gander at the effect of individual players inside the before assessing the execution of LIC on different issues, permit me to see concerning Insurance.

4.2 History of organizational structure of Indian life Insurance

((Life and Non-life))

The principal disaster protection organization to work in India the oriental extra security Company' was set up in 1818 in India. It was however a British organization. The primary Indian insurance agency the Bombay Mutual life Assurance society began operation in 1871. In 1956 the Indian protection industry was comprised of 154 local safety net providers, 16 remote life guarantors and 75 provident supports, was still administered by the protection demonstration of 1938. In 1956 all disaster protection organizations were nationalized, the tale of non-extra security in India is the same. In 1907 the primary Indian general back up plan, the Indian Mercantile insurance agency began operations. The New India Assurance ltd. Organization was consolidated in 1919. In 1972, the non life coverage business in the nation was nationalized and the GIC (General protection Corporation of India) was shaped with four backups: the national protection, oriental protection, joined India Insurance and the New India Assurance organization ltd. From that point forward Insurance in India had a defensive divider worked around it, to keep it a neighborhood player’s showcase.

4.3 Organizational structure of LIC of India:

Indian disaster protection industry has experienced an ocean change. It has encountered new difficulties of extreme rivalry and battle for survival since the presentation of protection changes since 1999. The changes in the protection segment are constant and they ought to be made more straightforward, reasonable and sound in the changing financial environment. The eventual fate of the changed protection industry is a major test to numerous partners. The factors which mirror the development and improvement parts of the life coverage industry incorporate among
others new business, item advancement, social commitments, benefit, circulation channels and client overhauling. 14

The Integral focus of LIC

The real concentration of the present study is on the accompanying targets:

1. The Organization of the Corporation is on the example for the most part showed inside the life certification Corporation Act. 1956. Divisional Offices, 42 in range and with sketched out regional purview for the occasion of late business inside the different regions, zone unit liable for the entire conjugation of late protection approaches from the season of acknowledgment of recommendations to settlement of cases co-appointment and general administration vest inside the 5 zonal workplaces and the primary office, the fundamental office being responsible for the detailing of wide arrangements and strategies. Speculation of assets is that the sole obligation of the working environment.

2. The Chairman is that the Chief govt. of the Corporation. The 15 individuals constituting the Corporation deal with the issues of the Corporation. The work of the Corporation is directed through various boards of trustees like govt. Advisory group, Investment Committee, Service and Budget Committee, moreover, for each zone, consultative Boards and laborers and Agents Relations Committee are realized and they worked in as consultative ability, since thirty first August 1971, these councils have conjointly been achieved in everything about Divisional Offices. The inverse powers specified inside the Act and the guidelines range unit the Managing directors, govt. directors and Zonal Managers.

3. Once the Corporation was realized on the first Sep 1956, the work of integration into one association the controlled business of 243 units locked in inside the managing of life affirmation business in Gwalior was fixated. In urgent the structure found, it totally was considered important to evade, to the most degree feasible, separation inside the conjugation of the overall

14Scale of Things:Nanometers and that's only the tip of the iceberg.
strategies all through the measure of move. Consequently the hardware gave
by the past Head working environment Units of the safety net providers was
left generally undisturbed. In any case, as an essential stride towards last
incorporation, all the top workplaces achieved at the Zonal Head Quarters
were coordinated into confined scope of body units. In the city of urban focus,
for instance, there have been fifty Head Offices of Indian safety net providers,
nine Principal Offices of Foreign back up plans and fifteen Head Offices of
Provident Societies. The working environments underneath the essential 2
classes were joined into nine incorporated head office (IHO) groups. Another
bunch alluded to as partner degree coordinated branch working environment
unit was designed involving the branch workplaces of safety net providers
with one annuity support and of fifteen provident social orders in urban focus.
Hence, coordinated head working environment groups, and incorporated
branch work environment groups were taking care of the conjugation of
existing strategies inside the urban focus town. At focuses separated from
zonal central station, all the top work environment units and all branch work
environment units of the past guarantors had been characterized along and
were dealt with as a part of the Divisional work environment, in whose space
the different IHO units or IBO units were set.

4. The combination of existing business was taken care of by IHO and IBO
Units extra or less on indistinguishable lines as was being finished by the
different head workplaces and Branch workplaces of the safety net providers
required before the named day. Be that as it may, in everything about IHO and
IBO groups, steps have been taken for accomplishing consistency by and by
and, for this reason, the work of some of the bureaus of the shifted units,
wherever there was more than one unit amid a bunch, had been coordinated,
correspondingly, a rearranged arrangement of bookkeeping had been
presented, so the work of the cash and records division was done on an
institutionalized example. The blending work was being sought after with a
watch to incite transfer of work and conservative combination of strategies.
Further, existing policyholders had conjointly been given the benefit of the
extra liberal strategy conditions offered by the partnership for its own
strategies e.g., release of premiums beneath entire life arrangements when the
guaranteed accomplishes age eighty or has paid premiums as of now for thirty
five years whichever is later, expulsion of war hazard encourage premium and distinctive confinements on approaches issued to military faculty, and so on.

5. This course of action for the conjugation of late approaches demonstrated a brief one, it was completely implied that eventually all strategies issued before first September, 1956 ought to be serviceable by the Divisional Offices of the Corporation under which ward the policyholders dwelled. This technique for decentralization concerned exchange of strategy records from the common focal office to the included Divisional Offices in order to affirm that the strategy for decentralization was quickened while not disjoining administration to the policyholders, the Corporation has found partner degree Integration Department at the fundamental office to handle the decentralization of strategies and issue bearings to the overarching units amid this benefit moreover on subsume grievances.  

4.3.1 Organization and management of LIC of India:

There are 113 Divisional Offices and 2048 Branch Offices in India and 3 Branches outside India. The ensuing table introduces the circulation of each class of its workplaces.

<table>
<thead>
<tr>
<th>Zones</th>
<th>Divisional Offices</th>
<th>Branch Offices</th>
</tr>
</thead>
<tbody>
<tr>
<td>North</td>
<td>16</td>
<td>322</td>
</tr>
<tr>
<td>North –Central</td>
<td>11</td>
<td>247</td>
</tr>
<tr>
<td>Central</td>
<td>07</td>
<td>140</td>
</tr>
<tr>
<td>Eastern</td>
<td>18</td>
<td>357</td>
</tr>
<tr>
<td>South –Central</td>
<td>16</td>
<td>314</td>
</tr>
<tr>
<td>South</td>
<td>12</td>
<td>261</td>
</tr>
<tr>
<td>Western</td>
<td>22</td>
<td>407</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>102</strong></td>
<td><strong>2048</strong></td>
</tr>
</tbody>
</table>

*Source: LIC Diary 2014-15*

Workplaces of the LIC and departments:

For the powerful administration and administration of the LIC, the workplaces of the Corporation region unit separated into:

1. Focal Office
2. Zonal Office
3. Divisional Office
4. Branch Office

1. The main office (central office):

The fundamental office Partnership in which the working environment works underneath the care of Board of directors and totally extraordinary councils of the Corporation.

a) Capacities:

The vital elements of the primary office region unit as under:

- Determination of essential approaches and plans.
- Problems headings to Zonal and Divisional Offices every now and then.
- Establishing co-appointment amongst Zonal and Divisional work environment.
- Exercise administration over Divisional and Branch Offices through Zonal Offices.
- Investment of Funds of the Corporation.
- Organizing gatherings of Zonal Managers and Annual General Conferences of Divisional Managers.
- Management of the exercises of Divisional and Branch Offices and examining of their records.

The Standardization of work systems, obsession of premium rates, course of action of re-protection, attention, and so on. 16

b) Imperative department in main office:

For the point of releasing these capacities, a few divisions are found inside the primary office. The vital offices are:

- Development Department
- Investment Department
- Company Department
- Organization outlining Department
- Policy holder conjugation Department
- The Finance and Accounts Department
- The estimator Department
- Audit and audit Department
- Legal and Mortgage Department
- Cluster and Superannuation Department
- Personal Department
- Vigilance Department
- Electronic preparing Department
- Integration Department
- Content Department
- Foreign Department

2. Zonal Offices:

The Zonal Offices of LIC is at Kanpur, Hyderabad and Madras. It brings consistency inside the exercises of their purview. Is set in urban focus, Calcutta, Delhi, is that the primary obligation of the Zonal Offices to shifted Divisional Offices working underneath Elements of Zonal Offices territory unit as underneath:

1. To control the working of the officers and specialists to orchestrate the occasion outlining of protection business inside the particular zone.
2. It assesses the quantum of hazard worried in recovery of approaches, that territory unit on the far side the forces of Divisional working environment.
3. To take approach decisions in specialized matters got from subordinate workplaces inside the zone.

4. To exhort and guide the Divisional Offices on the standards, practices and methodologies of technique for bookkeeping.

5. It conjointly assumes consultative part in staff and legitimate matters, administration of partnership's working environment structures, buy of stationary, article of furniture and instrumentation, printing of structures and diverse records, and so on.

The parts of 2 committees'are a unitimportant with association and administration of zonal workplaces. They are:

- Zonal Consultative Board/Committee: Each zonal working environment can arrange a Zonal arranging board beneath every zone. This board gives vital suggestion to included zonal administrator in matters with respect to business strategies. This board is achieved by eight to twelve individuals.

- Employees and Agents Relations Committee: There is arrangement inside the Insurance Act to arrange laborers and specialists relations board of trustees. This board of trustees constitutes with five hundredth individuals from specialists and five hundredth from operators. Its primary work is to prompt the zonal director in welfare matters and bosses and specialists.

- Zonal Managers: The Chief work environment of the Zonal working environment is that the Zonal Manager who oversees and controls the working of Zonal Office and executes the requests and bearings from the principle office. Zonal Managers region unit responsible for the ensuing capacities:
  - Makes plan for social control improvement and training exercises. Broadening of branches
  - And improvement of protection operators.
  - Undertakes market thinks about. Expanding value viability. Expanding advancement.
  - Playing the part of "AppealindividualsOffice". for

- Vital department in zonal offices:

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The non-open and Industrial Relations Department
- The occasion Department
- The Estates Department
- The Legal and Mortgage Department
- The Accounts Department
- The estimator Department
- Building and Engineering Department
- Workplace Services Department
- Zonal honing Department

3. Divisional Offices:

The deliberate zones of seven zonal workplaces of LIC are disseminated to assortment of workplaces. Divisional Offices is a urgent deliberate space reason for the company. It gives various types of administrations to policyholders besides on the specialists, improvement officers, laborers and branch workplaces. 18

Divisional Manager is liable for every one of the elements of Divisional working environment. He releases his capacities beneath the immediate administration of Zonal Manager. He assesses the arrangements and spending plans of branch workplaces and a report is circulated to Zonal Manager. 19

There is an arrangement for setting up an administration board of trustees in Divisional working environment. This board sets up coordination between totally unique bureaus of divisional working environment. It conjointly decides the last goals of Divisional work environment. The ensuing is that the constitution of this board.

Functions of Divisional Offices

- Chief of Divisional working environment as Chairman.
- All the Department heads region unit selective individuals.
- A meeting of the council is order once in fortnight; social occasion is four individuals inperson going to the meeting.

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- The elements of this panel will be included
- Approval of the spending proposition of branch/divisional working environment. Valuatethe month to month advance reports.
- Accepting the proposition of basic administration.
- Issues of headings for cover division participation.
- Give proposals to prime officers for development in arrangements towards work techniques and approaches.
- Efforts to develop goodwill of the partnership.
- Consideration of matters wherever aggregate endeavors range unit required. Releasing of capacities designated by prime power.
- To consider the matters, that enhances the intensity of every unit of the company.
- Critical department in divisional offices:
  - The offices beneath divisional workplaces zone unit as takes after:
    - Designing Department
    - Policy holder conjugation Department
    - Accounts and cash Department
    - Claim Department
    - New office
    - Workplace Service Department
    - Legal and Mortgage Department
    - Promoting Department
    - Personal and Industrial Relations Department
    - Processing Department
    - Branch Support Department
    - Institution Department
    - Mailing Department

4. Branch Offices:

Branch Offices are found underneath the immediate administration of Divisional Offices. Branch Offices range unit the principal focuses of LIC through that the protection business is gotten. A genuine part of the LIC laborers and officers range unit working in Branch Offices. The issues monetary benefit of the LIC is earned
through the Branch Offices. Almost seventy fifth of the social control costs region unit spent by the Branch Offices. Branches are a unit starting reaching place for the proposer's.\textsuperscript{20}

The Branch Manager is leader of the Branch and he's liable for compelling working of every branch work environment. These days 2008 Branch Offices zone unit working inside the nation, this incorporates ninety nine new branches opened during the time 1993-94. The zone astute dissemination of branch workplaces has been given inside the past part.

4.4 Top Insurance Corporation:

\textit{Life protection enterprise of India LIC:}

The Life Insurance Corporation of India (LIC) is without a doubt India's biggest disaster protection organization. Completely possessed by government, LIC is likewise the biggest speculator of the nation. LIC has an expected resource of Rs. 8 Trillion. It likewise supports right around 24.6% of the costs of Government of India. Set up in 1956 and headquartereded in Mumbai, Life Insurance Corporation of India has 8 zonal workplaces, 100 divisional workplaces, 2,048 branch workplaces and a limitless system of 10,02,149 operators spread the nation over.

\textit{SBI Life Insurance:}

SBI, a main figure in saving money segment, entered the protection business as SBI Life Insurance which is a joint wander between State Bank of India and BNP Paribas certification a French organization positioned the fifth biggest keeping money organization around the world. In the year 2005-2006, SBI Life Insurance turned into the primary back up plan to make benefit.

SBI Life offers an assortment of items intended for different sections of society. These incorporate individual arrangements, amass arrangements and wellbeing arranges. Every one of these items takes into account different prerequisites of its end

clients. In 2007- 2008, SBI was put with the worldwide main 5 extra security organizations with biggest number of MDRT individuals.

Aviva extra security:

AVIVA Life Insurance, one of the prevalent insurance agencies in India, is a joint wander between the prestigious business gatherings, Dabber and the biggest protection assemble in the Sagar, Aviva pic. AVIVA Life Insurance has a broad -system of 208 branches and around 40 Banc assurance organizations spread crosswise over 3,000 urban communities and towns the nation over. There are more than 30,000 Financial Planning Advisers (FPAs) working for AVIVA Life Insurance. It offers different arrangements like Child, Retirement, Health, Savings, Protection and Rural.

ICICI Prudential Life Insurance:

ICICI Prudential Life Insurance Company is a joint wander between ICICI Bank, India's principal budgetary administrations organizations, and prudential plc, a main global monetary administrations gather headquartered in the United Kingdom. While ICICI holds 74% stake in the joint wander, prudential plc has the staying 26% stake. ICICI Prudential started its operations in December 2000.

ING Vyasa Life protection:

ING Vyasa Life Insurance went into the Indian protection industry in September 2001. A joint wander between ING Group, Ambuja Cements, Exide Industries and Enam Group, ING Vysya Life Insurance utilizes its two channels, viz. the Alternate Channel and the Tied Agency Force to disperse its items. The primary divert has branches in 234 urban areas the nation over and has 366 deals groups. Then again, the later one has more than 60,000 counselors. Right now, ING Vysya Life Insurance has tie ups with more than 200 helpful banks.

**Birla Sun Life Insurance**

Birla Sun Life Insurance Co. Ltd. (BSLI) is a joint venture between Aditya Birla Group, an Indian multinational partnership, and Sun Life Financial Inc., a main worldwide insurance agency. Set up in 2000, BSLI has added to the noteworthy development and improvement of the life coverage industry in Gwalior and as of now positions among the main 5 private extra security organizations in the nation. Birla Sun Life Insurance is recognized as the main money related arrangements organization to present 'Business Continuity Plan', the 'Free Look Period' and 'Unit Linked Life Insurance Plans' in the Indian protection.

**MAX New York Life Insurance**

Max New York Life Insurance Company Ltd. is one of the top insurance agencies in India, A joint venture between Max Gwalior Limited and New York Life International (a part of the Fortune 100 organization - New York Life), Max New York Life Insurance Company Ltd. begun its operation in April 2001. It as of now has around 715 workplaces situated in 389 urban communities the nation over. It likewise has around 75,832 specialist consultants. Max New York Life offers 39 items, which cover both, life and medical coverage.

**Bajaj Allianz**

Bajaj Allianz is a joint venture between Bajaj Finserv Limited and Allianz SE, where Bajaj Finserv Limited holds 74% of the stake, while Allianz SE holds the rest 26% stake. Bajaj Allianz has been evaluated IAAA by ICRA for its capacity to pay claims. The organization likewise accomplished a development of 11% with a premium wage of Rs. 2866 crore as on March 31, 2009.

**Bharti AXA Life Insurance**

Bharti AXA Life Insurance, one of the top insurance agencies in India, is a joint venture between Bharti gathering and world pioneer AXA. Bharti holds 74% stakes, while AXA holds whatever is left of 26%. Bharti AXA has its branches situated in 12 states the nation over. It offers a scope of individual, gathering and wellbeing
anticipates its clients. As of now more than 8000 representatives are working for Bharti AXA Life Insurance.  

Reliance Disaster protection:

Dependence Life Insurance Company Limited goes under the Anil Dhirubhai Ambani Group (ADAG) which positions among the main 3 private division monetary administrations and managing account organizations of India. Dependence wandered into the extra security business in October 2005 by getting AMP and in 2009-2010, it turned into the biggest private safety net provider of Gwalior with biggest number of approach check.

4.5 Growth of LIC in India and establishment since 1956 till Today:

It was a period when Gwalior was caught between two universes – the one dead and the one attempting to take birth. The august states were disintegrating and new states and endeavors were coming to fruition. The past had positively broken down yet relatively few concurred with the prescience of the visionaries. In such situation a quick however beyond any doubt choice to nationalize life coverage in Gwalior was taken in the year 1956 to spare the protecting open from the grimness and uncontrolled acts of neglect of some life back up plan of that time and invigorate the new Gwaliorthat was developing. The minor fire that was fueled on the first September 1956 has given Indians the glow of security and looks after just about six decades and is good to go to enter the second 50% of the century.

The year 1956 purchased along a characterizing denoted the start of another base in the historical backdrop of Life Insurance of Gwalior that was imagined in a certified soul of administration to individuals. The Life Insurance Corporation of India, conceived on the first September that year, is presently in its fifty seventh year if benefit. Very nearly six decades that stands today as accounts of numerous great accomplishments have not been without turmoil and inconveniences. At the point when the Corporation began its trip as a blended substance, there were various considerable issues. Starting from building up a bound together hierarchical structure

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23 G Cui, JS Lee, SJ Kim, H Nam, GS Cha, HD Kim, Analyst, 1998, 123, 1855
to accomplishing enthusiastic coordination of staff ingested from workplaces of past life back up plans – there were issues that had no readymade answers. Be that as it may, the valiant endeavors of LICians, over eras, prevailing in adequately surmounting each hindrance and today the Corporation can, with pride, think back upon the radiant accomplishments.

amazingly enhanced its client overhauling in the previous couple of years – it settle around two claims each second – but let the numerical expressions and examination please market analysts and money related specialists. The development of Life Insurance Corporation of Gwalior is an adventure of confidence – the confidence of originator, DR. C.D. Desmsagarh, that nationalization of life coverage would script a time of more extensive scope and moral practices – the confidence of the original of LICians, who battled despite seemingly insurmountable opposition yet were certain of establishing a firm framework – the confidence of the following eras of LICians who fabricated a solid structure as well as included more current parts of organizations in the Indian protection showcase.

In the year 1956 i.e. in the underlying year of LIC, the partnership had 5 Zonal workplaces, 33 divisional workplaces and 212 branch workplaces, aside from its corporate office. As the extra security contracts are typically long haul contracts and for the installment of the arrangements, it requires an assortment of administrations and that is the reason the need was felt in the later years to grow the operations and begin new branch workplaces at every area central station. Re-structuring of partnership occurred and numerous new branch workplaces were opened up. As a consequence of this, adjusting elements of enterprise were exchanged to the branches, and all these branches were made in charge of bookkeeping units moreover. It demonstrated supernatural with the execution of the company. It is obvious from the new business of LIC which came to about Rs. 200.00 crores in 1957 and the company effectively crossed aggregate new business of Rs. 1000.00 crores just in the year 1960–70, and it took just next 10 years to LIC to cross Rs. 2000.00 crores sign of new business. With restructuring process happening in the mid 1980s, before the year's
over 1985–86, LIC had effectively crossed superb Rs.7000.00 crores aggregate
guaranteed on new business through new arrangements. 25

At present the enterprise capacities with 2048 completely modernized branch
workplaces, 109 divisional workplaces, 8 zonal workplaces, 992 satellite workplaces
separated from the corporate house arranged at Mumbai. Wide Area Network of
enterprise covers its 109 divisional workplaces and interfaces all the branches through
a Metro Area Network. To offer an on-line premium accumulation office in chosen
urban areas, LIC has tied up with numerous centers and ATM premium installment
office is an extra favorable position to client comfort.

Aside from on-line Kiosk and IVRS, information Centers have been charged at
Mumbai, Ahmadabad, Bangalore, Chennai, Hyderabad, Kolkata, New Delhi, Pune
and numerous different urban communities. LIC has presented its SATELLITE
SAMARK OFFICES (SSO) with a dream to give simple access to its
policyholders. The satellite workplaces are littler, leaner and nearer to records of the
satellite workplaces will encourage overhauling from anyplace and numerous
different accommodations later on course of time.

Indeed, even in the changed circumstance of Indian protection, LIC keeps on being
the overwhelming life back up plan and is moving speedier on another development
and it is outperforming its own particular past records. LIC has issued more than one
crores approaches amid the year 2004. It has officially crossed the turning point of
issuing 1,01,32,995 new approach by fifteenth October, 2005, enrolling a solid
development rate of right around 16.67% over the comparing time of the earlier year.

4.5.1 Development of Insurance amid Nationalized Era (1956-2000): Need for
Nationalization

National Planning was designed according to seeing the aftereffects of Soviet Union,
was executed after Gwalior got to be free in 1947. It was more apparent in the Second
Five Year Plan which was actualized by the then Prime Minister Jawaharlal Nehru.
The vision was to have primary ventures under direct control of government with a

25JMG Cowie, Chemistry and physical science of advanced material, IInd Ed. Blackie, USA, Chapman and
view to encourage the execution of National Planning. Protection business in actuality, any monetary administration was not seen to be of any key significance. Along these lines, there are two imperative inquiries we have to center at. Firstly, why did the nationalization of protection division was finished by the administration in 1956? Second, why government did not nationalized general protection in the meantime.26

As a matter of first importance let’s manage the main question. On the premise of the record created by Mr. Hamards, the beginning of nationalization of extra security was finished. He had composed a numerous books and this was one of the more dark ones in that record; he had made four critical cases to legitimize that why nationalization is required. In the first place, he expressed that of government; in this manner, it is more suited for government to be in protection business second, he on argued behalf that Indian of organizations are excessively costly. Third, he expressed that private rivalries have not enhanced administrations to the policy holders" public" .Fourth, very high approaches were prompting. 27

Out of every one of his contentions, his contention identified with the high cost of Indian safety net providers is the one and only which he reinforced with legitimate information. Others were made in dubious terms. In this manner, we have to investigate his confirmation of information. In view of specific information, he tries to present what he called of insurancebusinessoperation in India, Bhopal and Sagar His counts are appeared in Table 4.2. He demonstrated that it costs Indian safety net providers 27%-28% of premium salary for safeguarding lives while in the Bhopal, the comparing figure is 16%-17%. In the SAGAR, it is even lower at 13%-14%. On the substance of it, this contention appears 20 watertight. Lamentably, this is not the situation. On nearer review on how the numbers were touched base at, we find that for the computation, the denominator utilized for Gwalior not the same utilized for the Bhopal or the Sagar. In particular, for the Indian numbers, the denominator utilizes premium pay, while, for the other two nations, the denominator utilizes add

up to wage that incorporates premium pay and speculation wage (as is standard world over).

Table 4.2 General Expenses of Life Insurance Business in India, Sagar and Bhopal (All figures are in rates)

<table>
<thead>
<tr>
<th>Year</th>
<th>Gwalior</th>
<th>Sagar</th>
<th>Bhopal</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>28.9</td>
<td>16.8</td>
<td>13.0</td>
</tr>
<tr>
<td>1951</td>
<td>27.2</td>
<td>16.5</td>
<td>14.1</td>
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<td>1952</td>
<td>27.1</td>
<td>16.7</td>
<td>14.2</td>
</tr>
<tr>
<td>1953</td>
<td>27.3</td>
<td>17.0</td>
<td>14.5</td>
</tr>
</tbody>
</table>

Source: Unpan Ph.D Thesis 2010

The Finance Minister C. D. Deshmsagarh reported nationalization of the life coverage business. In his discourse, he legitimized the activity as takes after. With the Second Plan, including an accelerator augmenting and extending of every conceivable channel of open investment funds has turned out to be more than ever important. Of this procedure, the country went ahead to pronounce, "The aggregate Life insurance somewhat over Rs. 25 for each had. Recently it was guaranteed for a private endeavor that business in constrain could be expanded to Rs. 80,000 millions

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and per capita protection to Rs. 200. I am in entire assentation. There can be doubtlessly with regards to the potential outcomes of extra security in Gwalior and I specify these figures just to show how enormously we could increment our investment funds through protection." He included, “business which should never to fall flat on the off chance that it is appropriately run, we find that amid the most recent decade upwards of a quarter century insurance agencies went into liquidation and another quarter century so wasted their assets that their business must be exchanged to other companiesat a misfortune to the policyholders."

Thusly the nationalization was advocated in light of three unmistakable contentions. To start with, the administration needed to utilize the assets for its own motivation. It unmistakably implies that the legislature did not have any desire to pay advertise rate of return for the advantages. Second, it wanted to build advertise entrance by the nationalization procedure. How is it conceivable that nationalization develop the market where private insurance agencies can't? To comprehend this, here are two conceivable circumstances.

(1) Nationalization will help in making of an imposing business model. On the off chance that the circumstance of economies of scale wins in the market that would help the administration to diminish the cost of operation per arrangement sold underneath with what privately owned businesses could work and offer.

(2) Government could take extra security in rustic regions through nationalization, where it was not beneficial for private organizations to offer protection.

(3) The administration found the quantity of disappointments of insurance agencies to be inadmissible.

The administration succeeded in diverting the assets of extra security business into framework. The Life Insurance Corporation of India, as of March 2001, had an aggregate whole guaranteed of 155 billion US dollars. The estimation of Life Fund was 40 billion US dollars. The book estimation of Life securities possessions –at end-March 2001 added up to 27 billion US dollars (73% of an aggregatePort folio estimation of 37 billion US dollars) nttl 4 fLf portfolio contains introduction to general society area (Bhattacharya and Patel, 2003). Save Bank of Gwalior Weekly
Statistical Supplement, October 11, 2003 demonstrates that 52% of the extraordinary load of government securities is held by only two open area foundations: the State Bank of Gwalior and the Life Insurance Corporation of Gwalior, around in equivalent extents.

Did the nationalization and subsequent production of restraining infrastructure really lessen the cost of issuing life coverage strategies? On the off chance that we take a straightforward perspective of the world and figure general costs, we touch base at the outcomes appeared in Table 3. In the event that we ascertain general costs as a rate of premium salary, we touch base at the accompanying. In 1957, the costs were 27.7%. By 1963, the costs rose to 29.3%. It fell back to 27.9% by 1982. By 1992, it had tumbled to 21.5%. In 2002, it rose to 22.9%. Might we be able to reason that in the decade recently 1980s, the economies of scale kicked in? The answer is negative. The reason is clarified in the Malhotra Committee Report (Malhotra, 1994, Chapter V, Section 5.5, p. 34). The cost proportion reported there was 29% in 1958 and 25% in 1992. The Report avoids aggregate polices from its estimation. Assemble polices are much less expensive to offer (per strategy). These approaches did not exist in 1958. Yet, beginning in the 1980s, they got to be ordinary. Consequently, the guileless figuring along this line will persuade that the cost proportion has descended considerably though as a general rule, that is an inaccurate conclusion. Various government reports have arrived at a similar wrong conclusion (for instance, the Annual Report of the Ministry of Finance 1995-96, p. 3).  

Table 4.3 Money related Performance of Life Insurance Corporation of Gwalior 1957-1992

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total premium income</td>
<td>139.02</td>
<td>253.42</td>
<td>516.16</td>
<td>1284.81</td>
<td>2836.36</td>
</tr>
<tr>
<td>Income from investment</td>
<td>30.28</td>
<td>59.04</td>
<td>180.93</td>
<td>727.22</td>
<td>1511.72</td>
</tr>
<tr>
<td>Outcome</td>
<td>169.30</td>
<td>312.45</td>
<td>697.09</td>
<td>2012.03</td>
<td>4348.03</td>
</tr>
<tr>
<td>Commission etc. to agents</td>
<td>12.08</td>
<td>23.65</td>
<td>48.74</td>
<td>108.33</td>
<td>274.36</td>
</tr>
</tbody>
</table>

Salaries and other benefits to employees | 19.14 | 37.40 | 76.95 | 126.27 | 284.02
---|---|---|---|---|---
Other expenses of management | 7.22 | 13.25 | 18.15 | 41.14 | 90.91
Taxes etc. | 0.26 | 56.75 | 150.11 | |
5% valuation surplus paid to the govt. | 2.58 | 67.43 | |

**PAYMENTS TO POLICY HOLDERS**

| Claims by maturity | 32.64 | 52.49 | 101.99 | 369.94 | 769.73 |
| Claims by death | 12.40 | 21.13 | 34.57 | 91.41 | 180.47 |
| Annuities | 0.78 | 0.67 | 1.99 | 8.23 | 37.00 |
| Surrenders | 6.90 | 8.55 | 25.43 | 82.49 | 257.39 |
| Total outgo | 91.16 | 160.0 | 308.08 | 884.28 | 2108.42 |
| Excess of income over outgo | 78.14 | 152.45 | 389.01 | 1127.74 | 2239.67 |
| Operating cost/ premium income | 27.70% | 29.30% | 27.90% | 21.50% | 22.90% |
| Operating cost / total income | 22.70% | 23.50% | 20.60% | 13.70% | 14.9% |

*Source: Calculation in view of Malhotra Committee Report, 1994.*

Take note of: All consider is changed over along with US dollars utilizing the normal swapping scale of that year.\(^{32}\)

**Table 4.4** Venture Portfolio of the Life Insurance Corporation 1980-2000

<table>
<thead>
<tr>
<th>Year</th>
<th>Loans to Govt.</th>
<th>Government bonds</th>
<th>Special Central Govt.</th>
<th>Unapproved</th>
<th>Foreign</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980-81</td>
<td>41.7%</td>
<td>55.0%</td>
<td>1.6%</td>
<td>1.1%</td>
<td>0.6%</td>
<td>100.0%</td>
</tr>
<tr>
<td>1981-82</td>
<td>41.1%</td>
<td>54.1%</td>
<td>3.2%</td>
<td>1.0%</td>
<td>0.5%</td>
<td>100.0%</td>
</tr>
<tr>
<td>1982-83</td>
<td>40.3%</td>
<td>54.2%</td>
<td>4.0%</td>
<td>1.0%</td>
<td>0.5%</td>
<td>100.0%</td>
</tr>
<tr>
<td>1983-84</td>
<td>39.1%</td>
<td>54.5%</td>
<td>4.9%</td>
<td>1.1%</td>
<td>0.5%</td>
<td>100.0%</td>
</tr>
<tr>
<td>1984-85</td>
<td>37.7%</td>
<td>55.1%</td>
<td>5.7%</td>
<td>1.1%</td>
<td>0.5%</td>
<td>100.0%</td>
</tr>
<tr>
<td>1985-86</td>
<td>36.5%</td>
<td>55.6%</td>
<td>6.3%</td>
<td>1.1%</td>
<td>0.5%</td>
<td>100.0%</td>
</tr>
<tr>
<td>1986-87</td>
<td>35.0%</td>
<td>56.8%</td>
<td>6.6%</td>
<td>1.0%</td>
<td>0.6%</td>
<td>100.0%</td>
</tr>
<tr>
<td>1987-88</td>
<td>34.1%</td>
<td>57.8%</td>
<td>6.7%</td>
<td>0.8%</td>
<td>0.6%</td>
<td>100.0%</td>
</tr>
<tr>
<td>1988-89</td>
<td>33.2%</td>
<td>58.5%</td>
<td>6.7%</td>
<td>1.0%</td>
<td>0.6%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Loans to Govt.</th>
<th>Government bonds</th>
<th>Special Central Govt.</th>
<th>Unapproved</th>
<th>Foreign</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989-90</td>
<td>33.1%</td>
<td>58.8%</td>
<td>6.4%</td>
<td>1.2%</td>
<td>0.5%</td>
<td>100.0%</td>
</tr>
<tr>
<td>1990-91</td>
<td>33.6%</td>
<td>59.2%</td>
<td>5.6%</td>
<td>1.1%</td>
<td>0.5%</td>
<td>100.0%</td>
</tr>
<tr>
<td>1991-92</td>
<td>4.9%</td>
<td>85.5%</td>
<td>6.9%</td>
<td>1.9%</td>
<td>0.8%</td>
<td>100.0%</td>
</tr>
<tr>
<td>1992-93</td>
<td>34.1%</td>
<td>60.1%</td>
<td>4.2%</td>
<td>1.1%</td>
<td>0.5%</td>
<td>100.0%</td>
</tr>
<tr>
<td>1993-94</td>
<td>31.4%</td>
<td>63.4%</td>
<td>3.6%</td>
<td>1.1%</td>
<td>0.5%</td>
<td>100.0%</td>
</tr>
<tr>
<td>1994-95</td>
<td>28.7%</td>
<td>66.4%</td>
<td>3.3%</td>
<td>1.1%</td>
<td>0.6%</td>
<td>100.0%</td>
</tr>
<tr>
<td>1995-96</td>
<td>26.5%</td>
<td>69.0%</td>
<td>2.9%</td>
<td>1.2%</td>
<td>0.5%</td>
<td>100.0%</td>
</tr>
<tr>
<td>1996-97</td>
<td>24.8%</td>
<td>71.2%</td>
<td>2.6%</td>
<td>0.9%</td>
<td>0.5%</td>
<td>100.0%</td>
</tr>
<tr>
<td>1997-98</td>
<td>23.1%</td>
<td>73.3%</td>
<td>2.4%</td>
<td>0.8%</td>
<td>0.4%</td>
<td>100.0%</td>
</tr>
<tr>
<td>1998-99</td>
<td>21.7%</td>
<td>75.4%</td>
<td>1.8%</td>
<td>0.8%</td>
<td>0.3%</td>
<td>100.0%</td>
</tr>
<tr>
<td>1999-00</td>
<td>19.8%</td>
<td>77.9%</td>
<td>1.4%</td>
<td>0.6%</td>
<td>0.3%</td>
<td>100.0%</td>
</tr>
<tr>
<td>2000-01</td>
<td>18.3%</td>
<td>79.8%</td>
<td>1.1%</td>
<td>0.5%</td>
<td>0.3%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>


Figure 4.2: Speculation Portfolio of the Life Insurance Corporation 1980-2000

4.6 Life Insurance Business amid the Nationalized Era:

The nationalization of Indian life coverage occurred in 1956. All current life organizations were converted into one single organization and it was named The Life Insurance Corporation. By the 2000, Life Insurance Corporation had aggregate of 100 divisional workplaces, seven zone workplaces and 248 branches. There were more than 6800 dynamic operators crosswise over Gwalior and 17,000 workers were utilized specifically in LIC.
In this sort of examination of organization, two issues lie. To begin with, the number of inhabitants in Gwalior has expanded from 413 million in 1957 to more than 1,000 million in 2000. In this manner, one would expect development in life strategies sold on the premise of the development of the populace itself. Second, on the off chance that we figure development of extra security in ostensible sum, for India, in which the yearly swelling rate watched is on a normal 7.8% a year somewhere around 1957 and 2002, one would expected a development in the offer of life coverage in the line of expansion rate. In view of specific issues, we won't include ourselves in such portrayal in our discourse. 33

The individual disaster protection has been the biggest section of the extra security advertises in India. The entire life, enrichment and "cash sold by organization. Cash back approaches give back a specific measure of the premium paid by the policyholder after stipulation of the agreement. Until later past, the term life strategies were not made accessible in the Indian market. The quantity of new arrangements sold every year expanded from 0.95 million a year in the year 1957 to around 22.49 million in the year 2001. The aggregate number of approaches in constrain expanded from 1.2 million in the year 1957 to 79 million in the year 2001. Consequently, from both perspectives there has been right around 25 overlap increments in the quantity of arrangements sold amid a similar time. It is likewise observed that amid a similar period, the populace has additionally developed from 413 million in 1957 to more than 1,033 million in 2001. In Table 1.2.5 we discover the points of interest of various parts of extra security business amid the nationalized time. Somewhere around 1985 and 2001, add up to life business has developed from underneath 18 billion rupees to more than 500 billion rupees. Amid that period, the value record has grown fourfold. Consequently, if there were no adjustment in life coverage purchased in genuine terms, it would have represented 78 billion rupees worth of business. It is Notable that like different years, even in the year 2001, singular life business keeps on representing 92% of all life coverage advertise.

### Table 4.5: Extra securities in India, 1985-2004, in a large number of US dollars

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Individual</th>
<th>Individual Pension</th>
<th>Group</th>
<th>Group superannuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td>1439.00</td>
<td>1305.60</td>
<td>0.61</td>
<td>133.40</td>
<td>36.64</td>
</tr>
<tr>
<td>1986</td>
<td>1655.73</td>
<td>1497.10</td>
<td>1.25</td>
<td>158.63</td>
<td>39.17</td>
</tr>
<tr>
<td>1987</td>
<td>2056.14</td>
<td>1815.95</td>
<td>10.01</td>
<td>240.19</td>
<td>49.58</td>
</tr>
<tr>
<td>1988</td>
<td>2459.19</td>
<td>2212.68</td>
<td>99.02</td>
<td>246.52</td>
<td>64.73</td>
</tr>
<tr>
<td>1989</td>
<td>2759.06</td>
<td>2483.13</td>
<td>131.33</td>
<td>275.92</td>
<td>62.91</td>
</tr>
<tr>
<td>1990</td>
<td>3189.71</td>
<td>2878.51</td>
<td>147.06</td>
<td>311.19</td>
<td>63.70</td>
</tr>
<tr>
<td>1991</td>
<td>3049.37</td>
<td>2749.45</td>
<td>131.26</td>
<td>299.92</td>
<td>65.79</td>
</tr>
<tr>
<td>1992</td>
<td>2822.35</td>
<td>2564.42</td>
<td>26.69</td>
<td>257.93</td>
<td>65.62</td>
</tr>
<tr>
<td>1993</td>
<td>3096.56</td>
<td>2817.43</td>
<td>18.40</td>
<td>279.12</td>
<td>75.13</td>
</tr>
<tr>
<td>1994</td>
<td>3654.18</td>
<td>3324.75</td>
<td>16.40</td>
<td>329.43</td>
<td>92.69</td>
</tr>
<tr>
<td>1995</td>
<td>4354.21</td>
<td>3743.76</td>
<td>13.46</td>
<td>610.45</td>
<td>341.76</td>
</tr>
<tr>
<td>1996</td>
<td>4583.93</td>
<td>4124.49</td>
<td>41.28</td>
<td>459.43</td>
<td>173.72</td>
</tr>
<tr>
<td>1997</td>
<td>5299.35</td>
<td>4731.80</td>
<td>39.57</td>
<td>567.54</td>
<td>253.84</td>
</tr>
<tr>
<td>1998</td>
<td>5535.60</td>
<td>4946.75</td>
<td>54.57</td>
<td>588.85</td>
<td>240.12</td>
</tr>
<tr>
<td>1999</td>
<td>6436.30</td>
<td>5811.79</td>
<td>121.93</td>
<td>631.62</td>
<td>255.69</td>
</tr>
<tr>
<td>2000</td>
<td>7810.76</td>
<td>6529.91</td>
<td>64.32</td>
<td>701.47</td>
<td>286.18</td>
</tr>
<tr>
<td>2001</td>
<td>10649.33</td>
<td>9771.61</td>
<td>611.52</td>
<td>877.71</td>
<td>430.00</td>
</tr>
<tr>
<td>2002</td>
<td>12216.81</td>
<td>10268.03</td>
<td>593.23</td>
<td>913.71</td>
<td>441.84</td>
</tr>
<tr>
<td>2003</td>
<td>14938.63</td>
<td>12534.63</td>
<td>789.79</td>
<td>1079.23</td>
<td>534.98</td>
</tr>
<tr>
<td>2004</td>
<td>17496.40</td>
<td>14662.19</td>
<td>981.96</td>
<td>1230.37</td>
<td>621.88</td>
</tr>
</tbody>
</table>

*Sources: Shashtri Committee Report, 2004*

### Figure 4.3: Disaster protection in India, 1985-2004, in a large number of US dollars
Table 4.6 Components of Financial Saving as a Percent of GDP

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Saving</td>
<td>11.0%</td>
<td>11.0%</td>
<td>14.4%</td>
<td>12.5%</td>
<td>12.1%</td>
</tr>
<tr>
<td>Currency</td>
<td>1.2%</td>
<td>1.3%</td>
<td>1.6%</td>
<td>1.2%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Bank deposits</td>
<td>3.7%</td>
<td>3.2%</td>
<td>6.5%</td>
<td>5.2%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Stocks</td>
<td>1.6%</td>
<td>2.6%</td>
<td>1.7%</td>
<td>0.4%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Claims on government</td>
<td>1.5%</td>
<td>0.8%</td>
<td>1.3%</td>
<td>1.6%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Insurance funds</td>
<td>1.0%</td>
<td>1.1%</td>
<td>1.1%</td>
<td>1.3%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Pension funds</td>
<td>2.1%</td>
<td>2.0%</td>
<td>2.1%</td>
<td>2.6%</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

Source: Dr. H. M. Chandarana, Ph.D Thesis, 2005

Figure 4.4: Components of Financial Saving as a Percent of GDP

4.7 Execution of LIC of India-A Review:

The quantity of new approaches promoted by LIC expanded from 14.69 lakhs in 1961 to 2.18 crores in 2004-05 and add up to total guaranteed by LIC stirred to Rs.1,79,886.66 crores in 2004-05 from Rs.336.67 crores in 1957. The aggregate assets of the company additionally expanded from Rs.702.80 cr. in 1961 to Rs.4,16,910.36 cr. in 2004-05. Speculation, which was Rs.329.74 cr in 1957, developed to a high of Rs.4,13,800.95 cr in 2007-08, all of which gets used for the advancement of the country. The LIC has enormous investible assets and the fundamental wellspring of such speculation is the premiums gathered from the strategy holders of LIC. The LIC uses certain assets in various states, businesses furthermore in various nations. While contributing its store, the LIC needs to consider diverse components and
powers like, wellbeing, liquidity and efficiency of reserve at the same time it likewise
must be in accordance with other administrative ties, for example, venture standards,
resource obligation administration and so forth. In nutshell, the LIC needs to make its
speculations inside the limits of these ties thus; the venture pay goes under weight on
the grounds that the LIC is not in a position to seek after a judicious venture strategy.
The falling financing cost would likewise stoke the fire and it antagonistically
influences the venture execution of the Corporation. \(^{34}\)

At present LIC keeps on being the monopolistic life guarantor even in the post
advancement period of the Indian protection industry. The normal premium
development rate has been 20%. With the focused on Rs.1, 75,000 crores add up to
premium before the end of current monetary, the life coverage partnership of
Gwalior has a piece of the overall industry of around 75%. The partnership has
consistently crossed numerous turning points and has set extraordinary execution
records in different criteria of life coverage business. The state-claimed corporation’s
business is of nearly Rs.3, 00,000 crores by 2011-12. The extra security goliath
anticipates that its benefits size will be become nearly Rs.6, 00,000 crores or 75% in
the forthcoming three years. In the current financial year, the organization has utilized
around two lakhs protection specialist the nation over, which is more than twice then
of the 90,000 specialists enrolled in the past financial year. It has too enlisted 4,500
improvement officers in the current monetary year and 5,000 new officers could be
utilized in the following monetary. It has won different honors which incorporate
Loyalty Award 2009, Golden Peacock Innovative Product/Serv Brand Award 2008 in
the Platinum Category, 2008 and NDTV Profit Business Leadership Award 2008.
Financial Times Brand Equity Survey evaluated LIC as the No.1 benefit brand of the
nation for the fifth continuous year. \(^{35}\)

**Time of study:**

The present study covers a time of nine years from 2005-06 to 2013-14 amid which
the Bhopal of the protection division changes has been advancing. The time of very

\(^{34}\) D Zhang, Poly Test., 2007, 26, 9.

nearly one decade is considered, to some degree, a sensible period for an
investigation of this nature which tries to distinguish the issues confronted by the
protection players and to propose measures wherever fundamental that go far to make
the Indian life coverage industry sufficiently solid to conquer these issues. Despite the
fact that the year 2013-14 is the latest year of the time of the present study, the
quantitative and subjective advancements occurred after 2014 have likewise been
consolidated at pertinent spots of the study to have a top to bottom examination
furthermore for an appropriate translation of information.

Arrangement and structure of LIC:

The arrangement and structure of LIC means the structure of LIC as far as its
development and its distinctive offices and Sub-Offices. Around 170 protection firms
and very nearly 80 provident reserve social orders have been merged for development
of life certification business in Gwalior by the year 1955. Out of these, few were
remote firms which had their take office off of India. Notwithstanding this, these back
up plans have a larger than average assortment of various guarantors who had
enrolled themselves for protection business had either gone into liquidation or had
been censured by the common safety net providers. 36

From a study directed the then, had been found that the prospect of trust domain
which should be the foundation of life affirmation was totally lost and most
administration had no estimation of the unmistakable and imperative refinement
which existed amongst trust and individuals joy to stock firms close by shareholders.
Along these lines, it gets to be apparent to nationalize Insurance business with an
identified with the followings:

- Providing hundred for each penny security to arrangement holders
- Ensure utilization of the store for national building exercises and to stay
  away from inefficient exertion in rivalry
- Save the profit paid to the shareholders of protection firms
- Avoiding of across the board undesirable practices received by some
  protection firms

• Speeding up of protection business in rustic territories

The initial phase in this course was taken by Robert E Lee Day, in 1956 by proclamation of partner degree statute vesting the administration of life certification business in Gwalior inside the Central Government. On this event, the then government serve Sir C. D. Deshmssagarh in his communicate to the state aforementioned. It has been picked in order to accomplish its objective of a communist example of society. Inside the Bhopal of second 5 year mastermind it's supreme to offer material help to the lives of millions inside the country territories. It'll present a fresh out of the plastic new feeling of mindfulness working, for the more drawn out term inside the soul of shellfish certainty that protection alone will offer. It's a live arranged in an exceedingly genuine soul of administration to the people. It'll be for the people to counter, frustrate the On the premise of this, the life coverage was nationalized in the year 1956 and this is the means by which the To recall this noteworthy occasion protection week is being commended from first to seventh April every year thereupon. The mission given to LIC by then is abridged as

• Providing security of protection to people in every niche and corner of the nation

• Mobilizing reserve funds for the occasion of nation Responding to customer affectability

• Consequent thereto, following the occasion of life certification exchange is nothing however strolls through the advance of LIC itself. 37

4.8 Objectives of LIC of Gwalior

1. Spread life certification wide and especially to the farming zones and to the socially and monetarily in reverse classifications with a read to contacting every single guaranteed individual inside the nation and giving them sufficient financial cowl against death at a moderate cost.

2. Maximize preparation of individuals' reserve funds by making protection connected investment funds satisfactorily captivating.

3. Bear as a primary concern, inside the venture of assets, the main commitment to its policyholders, whose trade it holds out trust, while not dismissing the enthusiasm of the group as a full; the assets to be conveyed to the best preferred standpoint of the financial specialists besides in light of the fact that the group in general, keeping in sight national needs and commitments of connecting with come.

4. Conduct business with most extreme economy and with the entire acknowledgment that the funds have a place with the policyholders.

5. Act as trustees of the protected open in their individual and aggregate limits.

6. Meet the shifted life certification needs of the group that may emerge inside the dynamic social and monetary setting.

7. Involve all people working inside the Corporation to the best of their abilities in facilitating the interests of the safeguarded open by giving temperate administration in an all around mannered way.

8. Promote among all specialists and laborers of the Corporation a method for investment, pride and occupation fulfillment through release of their obligations with devotion towards activity of organization goals. 38

4.9 Historical and geographical topography of Gwalior division

Gwalior is situated at 26.22 N 78.18 E. It has a normal height of 197 meters (646 feet). Gwalior is a chronicled Indian city - is situated on the outskirts of Madhya Pradesh State, 321 Kms (199.5 Miles) from Delhi and 121 Kms (76 Miles) from Agra. Gwalior is a city in Madhya Pradesh in India. It lies 76 miles (122 km) south of Agra and has a populace of more than 12 lakh (1,200,000). The Gwalior metropolitan region is the 46th most populated territory in the nation. Gwalior involves an exceptional say in India’s medieval history and flexibility battle. The city likewise appreciates an exceptional position with respect to training and goals of a few universities and schools surely understood the nation over.

Gwalior possesses a key area in the Gird locale of North India, and the city and its post have served as the focal point of a few of North India's noteworthy kingdoms. At

present likewise its key area is set apart by the nearness of real air base at maharajpura. Gwalior is the regulatory central station of Gwalior area and Gwalior division. At the heart of Gwalior is its stronghold (Gwalior Fort), worked by Raja Man Singh Tomar, of the Tomar tradition. This imposing structure had the notoriety of being a standout amongst the strongest fortifications of India. It involves a confined shake outcrop. The slope is steepended to make it for all intents and purposes unsalable and is encompassed by high dividers which encase structures from a few periods. The old town of Gwalior lies at the eastern base of the post. Lashkar, once in the past a different town that started as a military camp, misleads the south, and Morar, likewise an once in the past independent town, deceives the east. Gwalior, Lashkar and Morar are in the blink of an eye a portion of Gwalior Municipality.

**Regions of the City**

*a) The Old Town*

The old town of Gwalior, ordinarily called Hazira, which is of significant size, however unpredictably manufactured, lies at the eastern base of the stone. It contains the tomb of the Sufi holy person Mahommed Ghaus, raised amid the early piece of Mughal ruler Akbars rule, and the tomb of Mian Tansen, an awesome artist and one of the 'Nine Jewels' of Akbar's court. Near the heart of the city is astonishing Jai Vilas Palace, designed on the French castle of Versailles. The town has an exhibition hall arranged in the Gujari Mahal. 39

*b) Lashkar*

Lashkar is gotten from the Persian lashkar, which means armed force, or camp, as it was initially the camp, and later the lasting capital, of the Scindia line of Gwalior state. Jayaji Chowk is the focal concentration of Lashkar, with a huge square, a previous musical drama house, banks, tea, espresso and juice stands and a civil market building. Flourishing bazaars encompass the chowk.

Numerous gems shops are arranged close Jayaji Chowk otherwise known as Maharaj bada. A wellspring of water for the city Tighra is 10 km north of here. The Gajra Raja

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Medical College, established in 1946 by the Maharaja Jiwaji Rao Scindia and the Maharani Vijayaraje Scindia, is arranged in Lashkar on Palace Road, close Katora Taal, together with a gathering of numerous doctor's facilities.

c) Morar

Morar, in the past a different town, lies three miles east of the old city. It was once in the past a British military cantonment. Morar was the scene of the most genuine uprising in Central India. By 1900 it had turned into middle for nearby exchange and had an imperative preparing industry, with a populace of 19,179 in 1901.

The second Temple of the Sun in India is arranged in Morar at Residency Road after The Konark Sun Temple. This Sun Temple was worked by the Aditya Birla Trust. The cantonment territory makes up a substantial region of Morar which is legitimate living arrangements for the Indian Army. It has numerous bottles for Army faculty. Close it is found one of the best known schools in Gwalior: The St. Paul's School.

Morar is for the most part a rustic cultivating town. There is a major Galla Mandi. There are some delightful places in Morar likewise and the region is known as the green some portion of Gwalior on the grounds that a great part of the range is still rustic. Recorded underneath the bits of knowledge of LIC branches in Gwalior, Madhya Pradesh nearby with branch sort, Address, branch code, email id, pin code and telephone numbers. Get the entire information of LIC branch office in Gwalior.

In the event that you need LIC administrations like change of address, premium paid authentication, grievance redressal, life declaration or data about premium focuses, reward, credit, restoration, LIC arranges and advantages or need help with topping off of use structures, enlistment on LIC's online gateway, enrollment of versatile number and email address then you can contact on the any of the accompanying location or you can likewise straightforwardly call them at their toll free number specified underneath. The structure is given below:

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4.10A brief discussion of various LIC scheme in Gwalior division

Analysis of individual plans and Singular Plans of LIC can be broke down as underneath:

1. Entire Life Policies

Entire life arrangements are issued forever. It implies that the arrangement sum will be paid at the demise of the life guaranteed. The life guaranteed, subsequently, can't get the approach sum amid his lifetime; just his wards will get the benefits of this strategy. This is losing its significance in light of the fact that exclusive the wards of life guaranteed are getting the advantage. This arrangement is less expensive and suits to youngsters with restricted assets and whose prerequisites for security are greatest. It is additionally useful to pay home obligation. In the event that installment of premiums stops behind been paid, a free paid up strategy for such diminished entirety, as can be permitted as per the principles, will be consequently secured gave the diminished entirety guaranteed is at the very least Rs.250.

2. Restricted Payment Whole-Life Policies

Premium under this arrangement is higher than the premium payable under a Whole life arranged. This arrangement is appropriate for people for whose situation the requirement for cash would emerge just on the occurrence of the passing, yet who either because of individual and family history are not qualified for a Whole life arrange or don't have any desire to broaden the premium-paying period past their
acquiring years. The base sum for which a strategy will be issued under this arrangement is Rs.1000.\textsuperscript{41}

3. Convertible Whole-Life Policy

This is an entire life strategy, which gives its holder a choice to get it changed over toward the end of five years, into a blessing approach. The strategy is intended to address the issues of the youngsters who is on the limit of his profession and has prospect for increment in salary after a brief period. The question is to give most extreme protection insurance at the very least cost and in the meantime to offer an adaptable contract, which can be permitted to a blessing arrangement, toward the end of five years of the approach. In the event that the alternative is not worked out, the strategy proceeds all in all life affirmation with premiums stopping at age 70. On the off chance that the strategy is changed over into gift, the premium is appropriately expanded. The base entirety guaranteed for whom an arrangement will be issued under this arrangement is Rs.5000 and the most extreme age at section should be 45 years.

4. Term Insurance Policies

Term protection is for a brief time of year extending from 3 months to seven years. Term protection policy term protection strategies are valuable to those

- who require additional security for a brief term or
- who require assurance for long length however can't buy for the present because of sick wellbeing or lesser salary,
- a youthful specialist can take the strategy to spare the business-catastrophe amid introductory phase of the business,
- key-men's protection are protection premise,
- a mortgagor of the property might be profited by this plan,
- a father can take this strategy amid the time of training of his type, and
- Any such people who will give protection to a shorter period.

5. Straight-Term (Temporary) Insurance

The approach is not qualified for any surrender esteem and no credit can be allowed on the security thereof on the grounds that, it is not of collective nature and installment is not generally certain. This arrangement can't be changed over into different arrangements. This approach is advantageous to the wards who are required to pay Estate Duty and to those people who are given philanthropy or gift of altered property.

6. Convertible Term Policy

This arrangement is of much use to the individuals who are at first not able to pay the bigger premium required for an entire life or gift strategy. This is helpful to the individuals who craving to leave an official choice of changeless protection at later date. The premium rate is impressively lower for this situation. It is particularly appropriate to a young fellow with huge family simply entering into life that, because of his low pay, can't bear the cost of high premium required to give him satisfactory assurance under a lasting approach.  

7. Jeevan Saathi

"Jeevan Saathi" is the new Joint Plan is intended to give add up to security to families, especially for the working couple. Under the Jeevan Saathi Plan, just the lives of spouse what's more, spouse is mutually secured. The fundamental total guaranteed, together with vested reward are payable in occasion of survival or development of either or both of the accomplices. In case of the principal demise of any of the lives guaranteed, the survivor gets the fundamental Sum Assured. Again fundamental Sum Assured with reward is payable to the chosen one, in case of the unexpected passing of the second accomplice.

Another imperative component of this arrangement is that the premium under the approach stops on the primary demise and the surviving accomplice require not need to pay any more premiums. In any case, regardless of non-installment of premium after the main demise, the approach will proceed to take part and the reward will

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collect till the last settlement. This arrangement has the accompanying unique components:-

- An eminent arrangement.
- Two lives are secured at minimal over a large portion of the cost of discrete Endowment Plans.
- P.W.B. Offered free after first demise + Free hazard cover for another life till development.

Both lives get mishap advantage if passing of both lives happens in a similar arrangement year coincidentally.

8. Single Premium Policy

The individuals who got a bonus wage and are relied upon not to proceed such return in ensuing years can bear the cost of this sort strategy. The single premium approach is not valuable to different people on account of odds of death where after the ensuing premiums are not required to be paid.

9. Level Premium Policy

Under this arrangement standard and equivalent premiums are paid at an unmistakable interim. This premium is lesser than the single premium and is advantageous to make premium at a customary period. This may take the state of a cost and can be continually paid. The equivalent portions might be paid month to month, tri-month to month (quarterly), half-yearly and yearly. Along these lines, it suits the prerequisites of various sorts of the policyholders. Since, initially the premium is figured and charged on yearly premise, the unpaid premiums for the year are required to be paid at the season of installment of cases because of death.

Without Profit Policies or Non-taking part Policies The holders of without benefit approaches are not qualified for share the benefit of the guarantor. These policyholders get just the total guaranteed and no reward is given to them.

10. With Profit Policies or Participating Policies

The holders of with benefit arrangements are qualified for share the benefit of the backup plan. Since the policyholders can share the benefit and not the misfortune,
they can't be dealt with as co-proprietor of the protection business. On the off chance that there is misfortune, the policyholders can't get reward, i.e., the partake in benefit.

11. Jeevan Kishor

Youngsters, both male and female, between the ages of 1 (last birthday) and 12 (last birthday) are qualified to be proposed for protection under this Plan. The entirety Assured alongside vested reward and last extra reward, assuming any, will be payable on development or on death assuming prior, gave the passing happens on or after the date of beginning of hazard.

If there should be an occurrence of death of the type before the date of beginning of hazard, the premiums paid (barring the premiums for premium waiver advantage) will be discounted. There is likewise the arrangement for postponing of premium under the approach till the youngster accomplishes lion's share, in case of death of the proposer. This premium waiver advantage is accessible subject to installment of a little, extra premium and therapeutic examination of the proposer. 43

12. Jeevan Chhaya

"Jeevan introduced Chhaya" in March 1991, can be considered to be a blend of 'Jeevan Mitra' Couples having a youngster (not a received one), of age short of what one year can profit this arrangement, with a specific end goal to guarantee that a satisfactory monetary arrangement is made for the advanced education of the kid. The type ought not have finished one year of age of the date of enlistment of the proposition. Either father or mother or every one of them separately can take approaches under this arrangement. This arrangement has the accompanying elements:-

- Ideal for yearly instructive costs of youngsters.
- Free term confirmation on propose
- Free P.W.B. after death of life guaranteed.
- Guaranteed Policy benefits: training arrangement ensured amid lifetime or even in the possibility of unexpected passing of Life Insured.

13. Jeevan Kishor with Profit Plan

This arrangement assist reduces the ag is secured. According to arrangements of this approach, hazard initiates either two

a long time from the date of beginning or from the approach commemoration taking after quickly after the fruition of 7 years old whichever is later. In spite of interest in reward from the conceded date, or the hazard date or vesting date, this arrangement permits cooperation in reward from the very date of beginning of strategy. Be that as it may, vesting of the extra was permitted either from the hazard date or 5 years from the initiation of the strategy, whichever is later.

14. Jeevan Sukanya With Profit

This arrangement is planned solely for female kids. The premiums under this arrangement are payable for a constrained period as it were. The premium quits the approach commemoration taking after on or quickly after finish of 20 years old by the life guaranteed. The arrangement develops on the approach commemoration taking after or quickly after finishing of 50 years by the tyke.

15. Children's Money Back Plan

The arrangement conceives full and finishes development of the tyke. The arrangement accommodates instructive and also begin in life costs a progression of monetary advantages when the kid needs them most. Under an approach of Rs.5 lakhs entirety guaranteed, Rs.1 lakh is paid as survival advantage on the arrangement commemoration instantly after the kid finishes 18 years old. A comparative sum is paid on the approach commemoration two years thus. The sum is expanded to Rs.1.5 lakhs as survival advantage payable on the approach commemoration quickly after culmination of 22 years old. A comparative sum is paid on the arrangement commemoration two years thus. The ensured augmentations at the rate of Rs.80/ - per thousand entirety guaranteed are payable on the development date i.e. the strategy commemoration promptly after beginning.
16. Jeevan Sneha

Jeevan Sneha presented on sixteenth June 1997 is extraordinarily intended for ladies. The arrangement is without benefits cash back sort arrange with the additional component of ensured options. Unwaveringness expansion, encashment of survival advantage, as and when obliged, adaptability to pay premium ahead of time, in manufactured mischance cover, free protection cover for a time of 3 years from the date of first unpaid premium gave no less than 2 full year alternative to get annuity in lieu of development advantages.

17. New Jeevan Shree

- This arrangement has the accompanying components:-
- Ideal for administrators, experts, specialists, craftsmen having constrained traverse of dynamic gaining life/profession and wish to accommodate later piece of life.
- Suitable for Key Man Insurance. Fleeting is appropriate as Key man may continue changing his occupation.
- Transferability between businesses under Key Man Insurance.
- Limited premium paying term and single premium alternative.
- Loan is allowable following 2 years.
- Ideal for blessing under single premium. 44

18. Jeevan Rekha

This arrangement has the accompanying elements:-

- Regular –life long cash back @ 10% whole guaranteed at regular intervals.
- Lifelong cover, full S.A. regardless of S.B. paid.
- Bonus and total guaranteed payable to wards, as a separating blessing.
- As a birthday or commemoration present each fifth year.
- Single and restricted premium payment 5, 10, 15, 20, 25 and forever.
- As an arrangement for remote visit or occasion each fifth year.

• Most appropriate for short vocation calling as like games people/vocalist craftsmen who can term approaches for progressive 5 years and get customary tax exempt salary consistently until life. This is at the same time fundamental in perspective of expanded normal life span.

19. New Jana Raksha

This arrangement has the accompanying components:-

• Ideal Endowment strategy for people with unpredictable or unverifiable salary and even salaried class working in organizations/production lines confronting professional stability disorder.

• After the premiums are paid for a long time, free hazard cover in the event of non-installment of premiums up to 3 years from F.U.P.

20. Asha Deep-II

This arrangement other than death and development installment, accommodates benefits in case the life guaranteed is influenced by any four noteworthy infirmities viz; malignancy, incapacitated stroke prompting to perpetual handicap, disappointment of both kidneys and coronary supply route maladies where sidestep surgery has been finished. This arrangement has the accompanying components:-

• A strategy joining advantages of wellbeing and extra security.
• Four basic ailments secured.
• Free P.W.B.
• Immediate unexpected advantage equivalent to half of Sum Assured if there should be an occurrence of policyholder experiences basic ailment.
• Balance half entirety assured reimbursed in 10 meet portions.
• Full hazard cover if there should be an occurrence of death.

21. Jeevan Aadhar

Jeevan aadhar presented in January 1996 is uniquely intended for the advantage of disabled wards. Commitments under this arrangement are qualified for money impose help under the Income Tax Act. This arrangement is fundamentally a restricted
installment entire life certification on the life of the proposer with arrangement for Guaranteed Additions and Terminal Addition to the essential total guaranteed. The claim sum will be payable halfway in single amount and somewhat as annuity