CHAPTER 01 – PREAMBLE

1.1 Introduction: Insurance has become an integral aspect in everyone’s life today. It is a written contract of insurance that offers security against future adversity. The life insurance generally helps to safeguard the life of people. A definite compensation is supplemented by the insurer to the insured person. The non-life insurance provides financial support to people or companies and helps them to alter the losses. A human being is always opposed to the thought or suggestions of protecting themselves from any untoward incidents by doing so it reduces exposure to any danger or harm or loss. This possibility means a plan or preparation made by the respective enterprise to safeguard the future of the nominee by keeping aside an assured amount in the form of reimbursement in case of untimely demise or disease of period of sickness. Such provision gives confident to the buyer of such proposal that provides a positive declaration intended to give confidence or a promise in case of a disaster. Five contingent variables universally affect all industries are; buyer, competitors, government, technology and development. While computing we came across 4 points with specific features like status or condition is noticed, cost management, better facility along with new elements of the consumers. Services are relatively unreal, produced and absorbed simultaneously and often less standardized than goods. These heterogeneous characteristics of services present special confrontation and vital marketing opportunities to the service marketers. The real competition between the utility merchant is set on after proliferation, commercial reforms and information automation progression. The servicing business organisation has to adopt civility management approach and its marketers have to imbibe the essence of acumen in order to meet the confidence of the policyholders. Hence, in this study an attempt has been made to consider the situation of coverage in economy, seepage of insurance industry, key issues in insurance, style of policyholders, control and lawmaking insurance industry and other such emerging areas of marketing of cover, which is one of the main duty in our country.
Why Life Insurance?: The life insurance market was immature in the evolving counties and started to expand up contemporary panorama and increase its spread with the access of private players under the control of governing bodies. At the beginning the life insurance was seen more as a tax reparatory instrument than a life cover product. The stride of analysis reach was found to be awfully unequal. In recent times, there has been increasing consciousness about life insurance products and the various combined account among the policyholders. The private competitors tailored the insurance products and made known cutting edge in gain, health, education and pension plans. Beneficence like Unit Linked Insurance Plans (ULIPs) has done their morsel to draw thoughts of individuals towards the insurance sector. Tax benefits have also shared their temptation and helped in simplifying insurance products. People started contemplating that life coverage also caters to the elevated savings from the households thus heightened the much needed domestic savings. Cognizance and judgement in the benefit of life insurance as such and also as a contingent investment instrument added to the expanded interest in the life insurance products. The publicity, divulgator activities, e-commerce, m-commerce and applicable key planning by the unused entrants in the insurance market have also helped in widening the user awareness and scheme benefits. The allotment of life insurance in ingenious methods apart from the customary agent based model has also helped in creating alertness and increasing perception and interest among people. On-line insurance, kiosks for mall insurance, bancassurance and other marketing of activities through internet are insisting marketers to cater changing needs of intellectual, rational and busy policyholders as a rapid mode of conversation approached by a crowd all over the world.
**Concept and Definitions:** Any assets human or animal life or any action that may lead to the destruction of a legal right, including value or the creation of legal burden is referred to as the tributary matter of insurance. Insurance is an affair that may or may not occur. LIC take form of the essence of insurance by a saying “*Little Amount- For a Priceless Bond.*”

**General Definitions:** These are acknowledged by writers who discern insurance as an instrument to supervise and alleviate various risks accomplice with human activities. In other words at relatively distinct and unimportant cost insurance replace a large and unspecified financial loss.

**Contractual Definitions:** Statutory definitions recognised insurance as a legitimate judicial contract of indemnity to compensate losses that occur due to the given exigency insured against. Life insurance is an arrangement under which one person, in consideration of a premium offer to compensate to the person for whose aid the insurance is made, a certain total amount incurred based on the profits earned and this is given to the after the term is over or to the beneficiary in case of early demise.

**Fundamental Definitions:** The integral definitions looks at insurance completely as an appliance to minimize and recoup losses arising out of various perils to the economy and field activity in a specific and global economic system.

**Definition of an Insurance Guarantee as per IFRS-4:** The International Accounting Standards Boards (IASB) while revolving the International Financial Reporting Standards for coverage (IFRS-4) in March 2004, determine insurance accounting and admission, define a obligation of insurance as “a contract under which one party (that is insurer) accept powerful insurance coverage from another party (the life assured) by
congruent to compensate the policyholder if a specified, contradictory future event (insured event) sceptically affect the policyholder.

Need for Insurance: An insurance policy is fundamentally meant to safeguard the revenue of the family's income producers. The idea is if the guaranteed die, counting on may hereto continue to live conformable. The sphere of life begins at birth, supersede by education, marriage and sooner or later, after a lead-time of work, people look forward to a life of evacuation. Finances too tend to switch as people go through the various facet of our life. In the first twenty years of our life, they are commercially and devotedly indigent on parents and there is no monetary undertaking to be met. In the next upcoming years, they increase financial self-reliance and provide backing to their families. This is also the stage when the income may be scarce to meet the burgeoning expenses of a young household. In the consecutive twenty years, as the children grow and become financially self-supporting, people see their investments grow, a burrow egg put away for life after abrogation. The last twenty years of life, post retirement is the time to garner the benefits of hard work. Life insurance is also being popularised as a wagon for investment. The unique feature of insurance is; it covers the perils of life and provides greater return for investment. Most people would like to invest in insurance for risk flip-flop and tax saving probable. The law provides tax saving benefits for insurance. This is reassuring people to save their money. The other preference of investment is mutual funds, share market, gold, government bonds/securities, and bank and post office deposits. The variations and financial disaster in stock market is also altering perspective of consumers for delve into new pattern of investments. Some of the government investments plans provide return and prosperity after certain terms at finite time only. Life insurance provides returns and risk indemnity for whole life. The return may arrive to the policyholders on a periodical basis. This feature is possible in money back policy and in some other life insurance products.
Concept of Insurance: The insurance business has both money-making and societal principle and importance. It provides communal guarantee and promotes individual welfare. Generally the insurance companies are colossal investors in long gravidity infrastructure development projects. Insurance curtail risk and helps to increase yield in the economy. Insurance is an apparatus for the transmission of risks of particular body to an insurer who comply for a discussion to assume to a specified extent damage incurred by the insured. Insurance covers insurable hazard and the chance of contingency risk can be resolved or anticipated for example risk related to human, assets, riots, thefts are insurable. The insurance companies are also financial broker as they collect and infuse large amount of premiums in government venture. They essay stability to the shareholder, provide avenue for accruing savings and route the funds to the government and other sectors. They are a well-founded saving agency which receives mostly without fail, steady incursion of funds in the form of premiums or regular benefaction to pension plans. They are also in a position to anticipate, relatively precisely, when and what amounts of insurance or pension gains have to be paid. Further, blameworthiness in most of the cases is long term onus, for many life policies are held for 30 or 40 or even more years. As a result, the lucidity is not a problem for them and their major action is in the field of long-term investments. Since the extended life-cover to the buyer of policy, the confirmed rate of return specified in insurance policies is relatively low. Therefore, they do not need to find high rates of return on their investments. As a mixed conclusion of all these aspect, the contribution of insurance service providers have been largely in government bonds, pledge, state and local government plea and corporate bonds. The insurance companies are alive in the following fields among other life, well-being and general and they have begun to keep the pension schemes and mutual funds also. Insurance business consists of widening
the exposure over time and sharing them between persons and organisations. The major part of insurance business is life cover, the operations of which depend on the laws of fatality.

**Need for Life Insurance:** As life insurance became more rooted and useful appliance among various spheres comprising of

- **Short term wants** - The main task of purchasing such type of life coverage is to safeguard the loss incurred due to the demise of the head of the family and maintain or keep aside a bulk amount in the form of legacy to its nominee or beneficiary.

- **Systematic Savings** – This type of planned proposal serves as such type of funds relating to a longer period of time and of late this is considered of vital importance as more and more people seek financial safety for their immediate family as the first priority.

- **Investment** - An individual’s money can be protected by segregating a portion of their earnings and putting the money in financial schemes which stores as legacy for their beneficiaries. It is found that money invested in is hares, property or as commercial venture incur profit.

- **Retiral** – Allocation for oneself in the next part of the life especially during evacuation, monetary savings becomes increasingly crucial, especially in a dynamic artistic and civil environment. Thus buying an appropriate coverage will provide adequate returns in the latter part of normal life.

- **Minimizing Risk** - Life cannot be compensated by anything but fiscal help in troublesome can support anyone. A breadwinner in a family wants to protect his family who is prudent dependent and need life safety. Though, the query is how much life analysis is
required at a distinct situation. Thus sufficient savings should be kept preserved for the immediate family in case of the demise of the bread owner.

- Social security- Insurance also provide some local security that assured expects in subsequent years for fulfilling education expenses and child’s marriage.

- Transfer of risk – Amount payable in the form of instalments will bring about discharge by way of expendable remuneration. Insurance will solve eventual cash incursion problems that will occur during one’s life time. Therefore, provide a cap and deportation the risk.

- Diffusion of risk- The amount and mechanism of payment allocated on insurance is as per the option picked by one according to one’s own choice. Therefore one can park funds according to their choice of risk and return.

- Profitable opportunity- The amount of insurance an individual’s needs for himself and his family is based on the age of the primary investors. Also it becomes essential to ascertain ones annual income and the amount of risks appetite the working member carries along with him and the sum assured he can go for. Once these factors are taken note of, the life cover and the amount of insurance payment is decided. A person whose age is small they are entitled for higher cover and lower cost, but as age increases the coverage is reduced and premium is increased.

- Tax Savings- If people have an option of risk coverage with guaranteed return and tax saving they will surely prefer it and individual can claim benefits under income tax act section 80C.

Advantages, Features and Functions of Life Insurance:
• Insurance products are better than a normal saving instrument: This investment provides a protected vehicle to build up savings say for an example when the bread owner dies or in case of untimely demise, the beneficiary or the nominee can claim sum assured or the return on investment whichever is higher based on the type of products the investment is made. In case of a regular savings vehicles namely fixed deposits it provides income in the form of principal amount plus interest accrued over a period of time it is kept in safe custody of the bank.

• Insurance provides smooth compensation and safeguard against a person to whom the money owns: When the life assured dies, the nominee is entitled for all the benefits attached to the investment made. If the investment is registered under the (M.W.P. Act) Married Women's Property Act and in case of any business failure, then the court cannot attach any investment registered under the above act.

• Motive or Intention: Any person purchasing such plan can opt for partial payment and thus they can save them from the urge of overspending.

• Insurance can be sheathed and aid quick action of borrowing something: Certain preparations will give the necessary time or the opportunity to enable a policy to avoid failure to fulfil a responsibility or duty towards payment of cash, in case the buyer of the policy or a policyholder fails to make payment towards the obligation a policy buyers carries on purchasing the same. A bulk of money that is reimbursed back along with interest is taken for a short period to meet the prevailing needs or to ensure relief on a temporary basis. Most of the established law or practices do invest in buying a plan put forward by an organisation in the form of ancillary for an individual or economic loan.

• Illness Advantages: The state of being dead is the statement of an intention to inflict is one of the biggest ultimatums and it includes impairment benefits. This allows repayment of debts or charges or penalty to waive off the amount to be paid for a contract of insurance and payments of instalments extended for a large time period.
• Tax Relief and savings: The policyholder is eligible to avail the benefits of savings of tax by indemnifying the instalment for a contract of insurance.

**Growth and the trends in global insurance industry:** Global economy is transforming and re-establishing day by day and aggressive ambitious forces are affecting all the segment of societies and business activities including insurance. Growing demand of life insurance is a moment for global insurers and new aspirant. The developing insurance market is opening a modern way for transnational and international corporations too. The increasing life anticipation, better health care easiness and growing population are some of the reason responsible for demanding of life insurance policy in many countries. Robust economic growth and catch-up dynamics has positive effect on growth evolution. The profitability of life business sustain to improve in many countries as amount were lacerated, guaranteed interest rates went down, revolution in repo rates and reversal repo rates and profit sharing was adjusted to reflect the low interest environment. All these changes have reflected in the growth level of life insurer’s risk capital. The global growth accomplishment in insurance business varied between industrialized countries and developing markets. While industrialized countries shown a limited growth where as emerging markets displayed a robust growth in the insurance sector.

Insurance is supplying a fair percentage in GDP in various countries and life insurance is a major part in service sector in most of the countries. The latest insurance sector census is an evidence of enlargement and uncharted potential in the sector. The advantage or profits gained from something was cosmically evaluated or estimated by two parameters; i) Seepage and ii) Frequency, this means an assurance made by the insured to pay back a lump sum to the nominee in case the life cover buyers expires.
In the progressive markets, real premium income growth is predicted to have reduced to 1.9% in 2015 from 4.2% in 2014. The decline would have been more prominent if not for the overall favourable inflation rate environment, driven by the steep decline in energy prices. Growth went down or continued to decline in most continental European markets, and premiums evolved at a slower pace in Canada and Japan. In Australia, premium income decreased following booming growth in 2014, the weakness come from vaporisation in investment-linked products and also poor achievement of defect and income conservation products. In the US and the UK, premium income restored to growth in 2015 following shortening in the previous two years. In emerging markets, premium income grew by an approximated 10.6% in 2015 after a 7.4%-gain in 2014. Growth was highest in the emerging Asian countries (up 13.2%). In China, premiums rose by 12% and in India by 7.7%, the latter after five years of shrinkage and sluggishness due to primarily due to administrative changes. Premium growth enhanced to 8% in Latin America while in CEE, premiums were below 1.7% in real terms, led by descending in Russia because of the economic collapse, high expansion, ominous currency moves and calamitous credit which had incited growth before.

Life insurance is a deep-rooted business and new business is an important subscriber to trade growth. New business in seven leading markets defining about 60% of global premium income is accustomed to have grown by 1.9% in 2015 (after inflation), following a 9%-increase in 2014. The modest gain this year was mainly from developing sales of safety products in most markets, but the accumulation business declined due to burden from flat interest rates, equity market subsided and the effect of pension reforms in some markets (e.g., the UK). In the US, sales of term insurance products expanded 2% (nominal) in the first half of 2015, after spurn slightly in the previous year. Sales of infirmity insurance have improved also, while new business requirement for long-term care lasted to abate due to greater prices. In Canada, term sales redeemed modestly (up 3%) in the first half of 2015 after a dive in 2014.
The above representation outlined that there was learning initiated by the re-insurer Swiss Re located worldwide placed insurance globally in the year 2013, which announced that with regards to premium payment India ranked 15th as compared to 14th number it was in the year 2012. As per the Swiss Re statistics the instalments quoted in the assurance enterprise spread around globally were 2.5 percent in the year 2012 which expanded by 1.4 percent in actual terms to $4, 641 billion by the end of year 2013. The main cause of downward tendency is because of lack or shortage of life insurance business in the ongoing or developing trade.
The above review presented by Swiss Re, the security or the coverage business in India is the action of entering or gaining access to the organisation which is 3.1% and the non-life insurance was 0.8%. An instalment paid as a percentage of Gross Development Product is named as insurance invasion whereas insurance solidity factors to per capita premium or premium per person. The research found that in India the penetration of life cover enterprise reduced to 3.9% in 2013 however it was at 4% in year 2012. The density of insurance business in India is at $52 as compared to $53 in 2012, therefore in layman language both penetration and density of life cover business was low.
Growth and trends in Indian insurance industry: In India there are 29 non-life are health institutions and 24 entities are for life business. In India the realm or the area of financial protection towards life cover is highest around the world with the sale of 36 crore proposal or the plan and it is expected or bound to rise at a compounded annual overflow (CAGR) of 12-15% in the forthcoming 5 years down the line. This life selling sector’s intention is to keep the seepage levels to 5% till the end of 2020, and it is possible that it will top the US$ 1 trillion mark in the imminent 7 years. This ray of hope is because of the Government of India’s endeavour towards augmenting this sector. Say for an example a proposal was prepared to provide or relax cap in life business from 26% to 49% in July 2014, a relaxation towards foreign direct investment (FDI) by the Executive Authority comprising of a team of Ministers of our country who provided a nod or agreed to accept a proposal plan cautioning the centre to bring capital and investment into Insurance Square. The entire size or the overall volume of India’s surety stratum was estimated to touch US$ 350-400 billion towards the end of the year 2020 from US$ 66.4 billion in FY13. Digital@Insurance-20X, this prediction or estimation was put forth by Boston Consulting Group (BCG) and Google India, also speculated that buying this plan through online mode will increase or boost 20 times more by the end of year 2020, and the one consisting of interconnected network using standardised communication protocols reached Rs.300,000-Rs.400,000 crore. Those buying or purchasing pension products is on a rise in India and is expected to reach US$ 1 trillion by 2025, as per the transudation of the Pension Fund Regulatory and Development Authority (PFRDA) Act 2013 followed by joint learning from CII-EY about the entry of Pensions sector in India. Our countries life cover business spent around Rs 117 billion (US$ 1.89 billion) towards technology product offerings in the year
2014, which was a 5% increase in the year 2013, as per Gartner Inc. It is also known that our countries assurance sector kept aside Rs 4.1 billion (US$ 66.29 million) towards expenditure related to mobile phones, hand held computer in the year 2014 which was an augmentation of 35% since the year 2013 (IRDA Annual Reports, 2014).

![Figure 3 – Performance of Employed Worker](image)

In the above chart it is viewed that our countries statistical data related to the population and the various segments in it will play a vital role in strengthening the penetration in India. The life coverage or the area can be covered by a specified volume or weight of a substance in our country is found to be economical which means a person or organization covered by insurance underinsured meaning having inadequate insurance cover. There is immense potential which refers to as extremely large or great, especially in scale or degree where those employed in the age group of 25–60 years is bound to grow bigger from 675.8 million to 795.5 million for the forthcoming 20 years which is
between the years 2006 – 2026. We saw that the Gross Domestic Product as per the projected report is found to rise between Rs.18,280 in the FY 2001 to Rs. 100,680 till FY2026 that means an estimate or forecast (something) on the basis of present trends which is indicative of rising disposable incomes which means money received, especially on a regular basis, for work or through investments. The appeal or the plea for security of cover is anticipated to get bigger with the enlargement of buying power.

![Growing employment in the life insurance industry](image)

**Figure 4 - Growing Employment**

The above draft displays growing employment in the life insurance industry on the condition or the understanding created straight recruitment of 30,912 people an addition of more than 407,768 financial consultants between FY 2000 till FY 2009. Parameters selected are FY00 FY06 FY07 FY08 FY09. Direct employees increased from 1,23,000 in FY00 to 1,52,449 in FY06 to 1,87,403 in FY07 to 2,54,332 in FY09 to 2,85,244 in FY09.

The demand for such type of sector has strengthen qualified and experienced The increasing insurance business has elongated the demand for immensely skilled person
engaged in a specified activity along with competent and illiterate individual therefore individual agents added in FY00 - 7,14,000 which increased to 14,22,609 in FY06 to 19,85,457 to FY07 to 8 24,98,513 in FY08 to 29,06,281 in FY09;

It is notified that the presence of insurance development in our economy has brought about a surge in the employment opportunities both permanent and contractual basis employment helps to create both direct and indirect working chance in the economy of India. Apart from permanent occupation in this sector, it also provides numerous positions which are of temporary in nature like consultant, brokers, agents, claim processing units and actuaries. IRDA has mandated to appoint actuaries in all insurance companies a company that provides and sells insurance part of the Medicare industry and ensure the attestation of all article or substance prior to the launch. A person or the thing that regulates the body has made it compulsory to recruit a person who compiles and analyses statistics in order to participate in all business meetings to support that unit which underwrites the risk and to guarantee soundness to them to carry out their tasks. To ensure growth take place continuously, it is essential to provide training and create well trained manpower that will be working or available for work or service with adequate input about this sector. These enterprises have deployed training team to train their employees on various parameters related to topics such as claim and risk management.
Figure 5 - Per Capita Premium

The above perspective shows the Indian life insurance sector which is at present the fifth-largest life insurance market in Asia has observed and attested rapid change, compelled by innovative type of products and services and dissemination of valuable input about the competitive environment since the time this entity came into existence in the year 2000. The extensive growth in the life sector is mainly because there has been an increase in the growing middle class household savings and backed with strong economic growth. We have also observed that with the introduction of user friendly products and service offerings followed multiple distribution strategies have lead to the development and the growth of private group of company.
Figure 6 - Insurance Premium as a percentage of gross domestic products

The above ground plan captures that after liberalization this particular sector which provides life cover and security followed by safety has developed rapidly in size and business. In lieu of the same large numbers of overseas players have expressed their desire to invest their funds in our origin country irrespective of the various regulations laid down by the Government which has made it compulsory that the limit of the holding of overseas company is static at 26% for both life as well as non-life business units. India’s economic growth has grown by and large in various fields which is reflected in the consumption of varied goods and service among each and every person in the society every day and week and month after month stretched over a period of times in the subsequent years has encouraged penetration levels to increase substantially. The amount paid towards contract of insurance which is a percentage of GDP grew from 3.3% in FY 2003 to 7.6% in FY 2009. Still the awareness level among the general public
about the benefits associated by putting their money in this sector is still negligible as compared to other advanced and developing economy.

Table 1 - Market Share of Top Insurers in India

<table>
<thead>
<tr>
<th>Names</th>
<th>Percentage share</th>
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<tbody>
<tr>
<td>LIC</td>
<td>50%</td>
</tr>
<tr>
<td>ICICI</td>
<td>10%</td>
</tr>
<tr>
<td>SBI</td>
<td>5%</td>
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<tr>
<td>Bajaj</td>
<td>4%</td>
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<tr>
<td>Reliance</td>
<td>5%</td>
</tr>
<tr>
<td>HDFC</td>
<td>6%</td>
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<tr>
<td>Birla</td>
<td>4%</td>
</tr>
<tr>
<td>Max New York</td>
<td>3%</td>
</tr>
<tr>
<td>Tata</td>
<td>2%</td>
</tr>
<tr>
<td>Met Life</td>
<td>1%</td>
</tr>
<tr>
<td>Kotak</td>
<td>2%</td>
</tr>
<tr>
<td>Others</td>
<td>8%</td>
</tr>
</tbody>
</table>

Inferences: As illustrated in the above table, Life Insurance Corporation Ltd’s total Market share is 50%. It is a myth that “Old is truly Gold”. It came into existence in 1956 with an association which refers to a process where a connection or cooperative link between people or organizations of more than 245 insurance companies which means a group of companies that provides and sells insurance as a part of the Medicare industry and provident societies, it is on the largest and oldest assurance entity in India who has
provided maximum coverage among huge population. It is a pioneer in the protection business because of its incredible statistics of claim settlement ratio, as high as 99 percent. It provide various types of products to its clients namely Endowment schemes like Jeevan Rakshak, Pension proposal like Jeevan Akshay VI, Money Back programs like Bima Bachat and Children’s Money Back Plan, Special plans and Group schemes. To know in detail you may log on to their webpage. Website: www.licindia.in

ICICI Prudential total market share as reflected in the above Chart is 10% an incredible increase of 107 percent in market share, in 2014. It is a joint venture between the biggest and renowned private sector bank in India, ICICI Bank and Prudential PLC, this is a financial service group headquartered in the United Kingdom. This deal took place in the year 2000 with an employee strength of 15000 people are currently working for this company. They have 950 branches spread out in different locations; ICICI Prudential a company that provides and sells insurance part of the Indian Medicare industry offers a wide range of schemes related to Life Insurance, Medical Insurance etc. It is the first private Indian life insurance company to have got a rating or grading as National Insurer Financial Strength Ratings of AAA from top grading agency called Fitch. Being conferred as India’s ‘Most Trusted Private Life Insurer’ for three consecutive years in a series have further strengthen people’s faith, and year after year many people are use insurance product from ICICI Prudential Life Insurance. For further details please visit their Website: www.iciciprulife.com.

SBI Life Insurance total strength is 5% and it bring with it 1500 SBI branches and over 60 full time life insurance branches. The State Bank of India is in partnership with BNP Paribas Assurance whereby SBI share is 74% while BNP Paribas Assurance has a 26% share of the combined entity or the joint venture. It came into existence in the March of 2001 and its head office is located in Mumbai, Maharashtra. It offers multiple products in the life insurance as well as in the pension plan options. The company employs over 7,500 people on-roll and has over 96,000 agents. Owing to their previously established banking industry, people have admittance with all the essential references about them.
BAJAJ Allianz Life Insurance is a combination of Bajaj Finserv and Allianz SE of Germany having approximately stake of 4%, came into existence in 2001 and has its corporate office in Pune, Maharashtra. Many medicare products such as Life & Health Insurance Plans, Term Plans, Pension Plans Traditional Plans, ULIPs and Women Insurance Plans are some of the keys products offered by this company. It provides services to its customers in more than 70 countries followed by life cover to its customer with the blend of worldwide expert report and local know-how. For their excellence in Life Insurance industry, they were awarded under the Platinum classification the SKOCH Financial Inclusion & Deepening Award 2014 and more information is available on the Website: www.bajajallianzlife.com.

A baby of the Reliance Group, RLIC was well-established in the year 2001 and is its main office is located in Navi Mumbai, Maharashtra. In the year 2015, it allowed FDI up to 49% after allowing its partnership with Japanese Based Nippon Life Insurance company ltd which is a 121 years old company and at present Reliance Life’s total market stake is 5%. This company offers both individual and group insurance plans with an asset, approximating 15000 Cr rupees. To aid in the harmonious functioning there are over 1, 24,000 active agents and 700 branches across India with a total of 7 million policy holders. For additional details visit their Website: www.reliancelife.com

HDFC Standard Life Insurance set up by Mr Hasmukhbhai Parekh in the year 2000, with its headquarters located in Mumbai, Maharashtra and the current stake is 6% among its competitors. The company has 500 branches in many Indian cities. It offers various types of Pension, Protection, Investment, Savings, Health, Children’s plans and Woman schemes. This private firm has extended its services in 980 cities in India. The cash settlement ratio is around 94 percent, which is overwhelming. Recently, it has
become the first life insurance company in India to offer pension plans to the new product buyers under the new IRDA regime by launching Pension Super Plus and Single Premium Pension Super. You may visit their Website: [www.hdfclife.com](http://www.hdfclife.com) to know more about the new products and features.

Birla Sun Life Insurance set up in the year 2000, is a joint member between Aditya Birla Group and Sun Life Financial Inc., having approximately 1,33,000 employees. The present market valuation of the company stands at 21062 Cr with a total strength of 4% stake in market and a very large customer base of over two million policyholders, 85000 empanelled advisors and distribution network in over 500 cities with 560 branches. They have a prominence of helping their customers with a very competing rate of interest. The company also has a good claim discharge ratio too. We can obtain more information from the company’s website which is [www.birlasunlife.com](http://www.birlasunlife.com).

MAX Life Insurance's total market share is 3% and is a Joint venture between Mitsui Sumitomo Insurance Company Ltd and Max India Ltd, which was founded in the year 2000 by Mr. Analjit Singh with a customer base of over three million. The company has its base in New Delhi and offers Individual and Group Insurance policies with a market share close to ten percent in the financial year 2014-15 has landed in the middle. They have been adjudged in the category of ‘Life Insurance Provider of the Year’ the prestigious Outlook Money Award 2015. Also, visit the following link Website: [www.maxlifeinsurance.com](http://www.maxlifeinsurance.com) for additional details.

Tata AIG Life Insurance Company (Tata AIA Life) provides and sells insurance part of the Medicare industry is a fusion or the combination between Tata Sons and the AIA Group (AIA). It joins or merges Tata’s leading post in India and AIA’s current position as one of the biggest and autonomous - Asia life insurance group world-wide, stretch over 17 area in Asia Pacific. Tata group occupies 74% stake in the company and AIA holds 26%. An AIA Group company was founded in the year 2001. Tata holds 74% and AIG holds 26% of the share of the company stands sixth in the list, and. and is headquartered in Mumbai, This company provide insurance cover for Travel, Motor,
Health, and Accidental Insurance in over 160 locations nationwide. Please visit the Website: [www.tataaiginsurance.in](http://www.tataaiginsurance.in) for more information about this company.

PNB MetLife India Insurance Company Limited (PNB MetLife)’s provides and sells insurance which is a part of the Medicare industry and the current shareholders are MetLife International Holdings LLC (MIHL), Punjab National Bank Limited (PNB), Jammu & Kashmir Bank Limited (JKB), M. Pallonji and Company Private Limited is one of the fastest growing life insurance companies in our home country known as India since the year 2001. It is also seen that MIHL and PNB are the major stakeholders. The presence of PNB Met Life Insurance has spread out across 600 metropolises with over 30 bank partners, since its inception. Website: [www.pnbmetlife.com](http://www.pnbmetlife.com)

KOTAK Medicare insurance especially life has been found to be more popular than other products purchased by buyers or purchasers. Kotak Mahindra is a well-known participant in the realm of life insurance sector too. To learn more about the portfolio of life insurance products, please use the following link: Website: [insurance.kotak.com](http://insurance.kotak.com)

Other insurance companies like ING Vysya started its operations in the year 2001 and provided services in 200 Indian cities with employee strength of 7500 professionals and their corporate main office is located in Bangalore, Karnataka. It is a joint venture between ING Insurance International B.V and Exide Industries serving more than 1 million policyholders with its insurance policies and retirement plans.

Between 2005 and 2010 the yearly GDP accretion was nearly 8.56%, at the same time, the ratio of gross savings to GDP was 33% ([Source – IRDA 2011](https://www.irda.org)). Middle class saw the abrupt growth and the life expectancy rate of people rose and urban development arise at almost 54% ([Source – IRDA 2011](https://www.irda.org)). In 2010 rate of premium growth came down to 4.2% and impinge to global standards the premium share was pretty crouched. Major crucial issues for insurers were cost control, claims settlement mechanism, measure investment yields, and capital necessity. In the 2010-11 fiscal the life insurance industry
grown by 4.20% while the general insurance industry increased by 8.10% (Source – IRDA 2011). During that time the paid-up capital (private total) for the life insurance category was INR 236.57 billion while the paid-up capital (industry total) was INR 236.63 billion (Source – IRDA 2011). In 2010-11 the paid-up capital (private total) for the general insurance division was INR 39.56 billion while the paid-up capital (industry total) was INR 67.06 billion (Source – IRDA 2011). In 2010-11 the revolving expenses of privately owned life insurers was INR 159.62 billion while the total life insurance enterprise budget was INR 329.42 billion. In the same time the privately owned general insurers depleted INR 39.32 billion from an industry total of INR 106.20 billion (Source – IRDA 2011). In 2010-11 the privately held life insurers paid compensation and claims worth INR 312.51 billion while the industry cache was INR 1425.24 billion. At the same pace the private general insurers compensated allowances and claims worth INR 99.37 billion while the industry total was INR 295.36 billion (Source – IRDA 2011).

**Life insurance – IRDA, the regulatory authority for Medicare industry in India has provided a report in a tangible and visible form suggested in its reports dated March 2011 which is suggested as follows:** The LIC had patent till the late 90s when the Insurance venture was reopened to the private sector. Before that, the industry endured of only two state insurers: Life Insurers (Life Insurance Corporation of India, LIC) and other organization is General Insurers (General Insurance Corporation of India, GIC) who has four ancillary companies. With effect from December 2000, these addenda have been removed from the parent company and were established as an independent insurance company. The insurance segment in India which is a part of medicare industry has been squandered away by the entry of private players in the same business due to an agreement or the government policy to allow FDI in the year 2000. FDI limit was 26% which was raised to 49% in the year 2014. One important aspect is that LIC is a backbone of the medicare business and is backed by the Indian Government. All policies of LIC are directly addressed by the GOI.

Regulatory modifications were introduced during the past two years and life insurance companies embraced many new customer-centric habits in this period. Product-specific
modulation, first in ULIPs (Unit Linked Insurance Plans) in September 2011 and now in regular products, will have the highest effect on the industry. With customers asking for added levels of customising product as per their needs, product metamorphosis has been found to be best suited for medicare companies in order to increase or improve market share or increase its buyers. Par products accounted for 53 per cent of new sales while non-par products estimated for 27 per cent. Investment-linked products made up the balance 20 per cent. The structure remained stable.

**Business of selling policy in our origin country:** An arrangement which provides protection against a possible eventuality is deep rooted in our home country our Indian origin that is arranged during tragedy such as blaze, downpour, contagious along with drought. This serves as a forerunner for updating every day protection device. Age-old study of past events or the whole series of past events connected with a particular person or thing have safeguarded an ancient evidence of protection device mode of related to sea buying and selling of credit and advance agreements. In the last few years the concept of buying and selling of policy throughout our country have emerged massively as compared to other nations in the world. This time period in history, have power and influence over from overseas buyer who have made tremendous revenue in our own country by companies like Royal, Albert, Liverpool and London along with Indian companies who have been making efforts to build strong immunity to fight against foreign players.

In the year 1914, the return of this sector was announced by the Government of India. The first to come into force to start this business in our Indian origin was the Indian Life Assurance which was executed to authorise the Governing body to assemble mathematical facts for both sectors like life and health avenues. From year 1938 onwards the former bill came into force in order to make or become stronger or more intense build up for protection of consumers/buyers/purchasers rights are very important so as to safeguard the general public buying insurance accompanied by extensive resources with the influential power to be able to persuade a person or company that underwrites an insurance risk. A minor change or addition or a piece of legislation
which was introduced in the year 1950 put an end to first in order of importance. It is found that we have many competitive players in the Indian market and were criticised for being unfairly prejudiced for or against someone or something. The governing body which conduct the policy, actions and affairs of the state or organisation have clear opinion towards socialization of policy protection enterprise.

Authoritative orders were circulated to socialize this sector and the giant public sector company was set up in the consecutive year. The past event of general insurance dates back to the Industrial Revolution in the west and the resultant development of maritime trade and economics in the 17th century. It came to India as an inheritance of British activity. General Insurance in India has its connection in Calcutta by the British in the development of Triton Insurance Company Ltd., in the year 1850 in. In 1907, the Indian Mercantile Insurance Ltd was the first company to do business of all classes of general insurance business was established... Year 1957 saw the creation of the General Insurance Council, an addition of the Insurance Association of India. The General Insurance Council enclosed a code of conduct for securing fair conduct and robust business practices.

In 1968, the Insurance Act was revised to balance investments and set least financial competence margin. The Tariff Advisory Committee was also launched or initiated by then. In 1972 general insurance business was mixed socially with others with effects from January 01, 1973 by enacting the law for General Insurance Business (Nationalisation) Act. 107 insurers were blended and bring together into four companies, that is to say National Insurance Company Ltd plus New India Assurance Company Ltd plus Oriental Insurance Company Ltd plus lastly United India Insurance Company Ltd. The General Insurance Corporation of India was included as a company in 1971 and it begin business on January 1st 1973. This age has seen insurance come a full circle in an excursion extending to nearly 200 years. The method of carryon of the sector had started in the early 1990s and the last decagon and more has seen it been opened up to a large extent... In the year 1993, the Government of India set up a board under the chairman R N Malhotra, who was ex- RBI governor to suggest guidance to rebuild in the
insurance sector. The purpose was to acknowledge the reforms introduced in the financial sector. The committee surrendered its report in 1994 wherein, among other things, it urged that the private sector be allowed to come in the insurance industry. They stated that foreign companies are granted to enter by soaring Indian companies, rather than a joint venture with Indian partners.

Following the proposal of the Malhotra Committee report, in 1999, which was created to put in a design plan or other technical drawing for the Indian Insurance sector, thereafter the Insurance Regulatory and Development Authority (IRDA) was comprised as an autonomous body to manage and cultivate the insurance industry. The IRDA was included as a statutory body in April, 2000. The key goal of the IRDA consist of promotion of event so as to complement consumer contentment through expanded consumer choice and reduced premiums, while guaranteeing the financial safety of the insurance market. The IRDA originated the market in August 2000 with the proposition for administration for registrations. Foreign companies were accustomed ownership of up to 26%. The Authority has the capability to apprehend regulations under Section 114A of the Insurance Act, 1938 and has from the year 2000 onwards enclosed various regulations classifying from registration of companies for transmitting on insurance business to protection of policyholders’ passion.

In December, 2000, the addendum of the General Insurance Corporation of India were reorganised as self-reliant companies and at the same time GIC was transformed into a national re-insurer. Parliament introduced a bill delinking the four subsidiaries from GIC in July, 2002. Today there are 28 general insurance companies containing the ECGC and Agriculture Insurance Corporation of India and 24 life insurance companies functioning in the country. The insurance sector is a gigantic one and is burgeoning at a speedy rate of 15-20%. Together with banking assistance, insurance services constitute about 7% to the country’s GDP. A well-balanced and evolved insurance sector is an advantage for commercial development as it provides everlasting funds for infrastructure advancement at the same time invigorate the risk taking competency of the country.
Role of life Insurance in Indian Economy: The aspect of insurance goes beyond its primary desire of extending the risk and thereby diminishing the loss. The huge fund accumulated by way of premium from policy buyer and the amount kept by them as solvency funds to meet unanticipated possibility. Insurance plays momentous role in building imprudence of a nation. The input of the insurance sector to the advancement of economy is assessed by the rate of seepage. The proclaimed insurance filtration of around 1.5 percent of GDP of India until the 1990s was considered minimum in the world. Year 2009-10 the mediocre is considered 2.2 percent which is less as related to other countries. In an economy insurance provides best usage of capital, it motivates austerity and preserving among individuals and also offers uncertainty covers at a cost impressive price to the society. Insurance companies are lending large amount of funds in infrastructure and achieve ample number of employment for India as a dominant public insurance company.

Figure 7- Registered Insurers in India

<table>
<thead>
<tr>
<th>Type of business</th>
<th>Public Sector</th>
<th>Private Sector</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Insurance</td>
<td>1</td>
<td>23</td>
<td>24</td>
</tr>
<tr>
<td>Non-Life Insurance</td>
<td>6</td>
<td>22</td>
<td>28</td>
</tr>
<tr>
<td>Reinsurance</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>45</td>
<td>53</td>
</tr>
</tbody>
</table>

Source: IRDA, 2014
The above floor plan indicates that as per IRDA report for the year ended March 2014, there were 24 companies which gives protection or create legacy in case the life insured dies and 28 non-life insurance which covers health hazards so the total number of insurance providers are 53 in all.

![Image of number of life insurance offices and district level distribution of life insurance offices]

**Figure 8 - District level distribution of life Insurance Offices**

Details listed in brief in the above chart states that as at 31st March, 2014, the LIC has over 600 branches in India for providing medicare services, this company is a PSU insurer, out of a total 640 districts as recommended by the Decennial Census for the year ending 2011. LIC also wrapped above 90% of all major districts of India. As such, it wrapped up to 93.28 per cent of all districts which is an area of a country or city, especially one characterized by a particular feature or activity in the country, whereas the private sector insurers had offices in 560 districts capping 87.50 per cent of all districts in the country. In total both, Indian PSU LIC and private insurers together covered 94.37 percent of all districts in the country.
Figure 9 - Geographical distribution of offices of Private and Life Insurance Corporation

Inference

We have listed above 2 Pie charts namely distribution of offices of Public and Private sector.

The first pie chart indicates that private insurance companies have set up their 31% offices in the urban area followed by 58% in the metro location and 11% in the rural area.

The second pie chart depicts that LIC the only public sector giant companies have 79% offices across metro areas and subsequently 13% in the urban and 8% in the rural areas.
The above graph reflects that there were 23 districts which belong to Manipur and Meghalaya then by Mizoram and Arunachal Pradesh finally by Nagaland and Sikkim where by these belonged to the 6 of the north eastern states. However please note we found there were no life insurance offices or branches in over 36 districts of our country. There are specific features or activity especially characterized by a particular districts or an area of a country or a city in 21states or union territories which were covered through life insurance offices.
The above sketch depicts that Life insurance industry documented an expansion of 9.43% in premium income of Rs.3, 14,283 crores during year 2013-14 as against Rs.2, 87,202 crores in the year 2012-13.

<table>
<thead>
<tr>
<th>Insurer</th>
<th>2012-13</th>
<th>2013-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIC</td>
<td>208603.58(2.92%)</td>
<td>236942.30(13.48%)</td>
</tr>
<tr>
<td>Private Sector</td>
<td>78398.91(-6.87%)</td>
<td>77340.90(-1.35%)</td>
</tr>
<tr>
<td>Total</td>
<td>287202.49(0.05)</td>
<td>314283.20(9.43)</td>
</tr>
</tbody>
</table>

Source: IRDA 2014
In the year 2013 – 14, private entity selling policy informed that they incurred 1.35% failure or losses in generating revenue through premium income, however at the same time LIC incurred a growth of 13.48%.

**Figure 12 - Premium Underwritten**

As per the above graph the Medicare industry new business performance as per statistics which is defined as the practice or science of collecting, gathering and analysing numerical or numbered data in large quantities, especially by the IRDAI, life insurance industry in India acquired weighted new business income of over INR99 billion in the first three months of FY2015-16, presenting an increase of 2.0% over the equivalent term in FY2014-15. State-owned LIC observed and attested a fall of 8.9% in
its weighted fresh trade instalment mixture in the beginning of the 1\textsuperscript{st} quarters of FY2015-16, resultant in its market contribution decreasing from 59.1\% to 52.7\% corresponding to the identical period in FY2014-15. LIC registered a decline in individual business by 11.9\% and a marginal upsurge of 0.9\% in group business. Despite registering a lessening in weighted new business premium collections, LIC witnessed a year-on-year rise of 17.2\% in its un-weighted new business premium collections on the back of a significant increase in single premium business by 35.3\%.

The weighted new business premiums which are a sum added to an ordinary price or charge which are calculated as 10\% of single premium and 100\% of regular new business premiums.

**Figure 13 - A snap shot of the above discussion is illustrated below diagrammatically**
The above frame reflects a comparison of market share of private players, private life insurers continued their strong performance from the freshly wrapped up financial year and documented a 180 degree growth of 17.8% in their weighted new trade premium.
collections in the Q1 quarter of FY2015-16, which resulted in a corresponding rise in their overall market stake from 40.9% to 47.3%. Private players reported a development in both individual and group entity of 14.2% and 27.4% respectively, and an increase of 43.8% and 16.5% in single and regular premium assortment, respectively. The proportionate movement in market shares of LIC and private insurers can be ascribed to the exemption of unit-linked plans from LIC’s merchandize offerings until the end of first quarter, while private sector, reportedly, recorded a hike in unit-linked sales on the back of upsurge in stock markets.

The above composition reflects a remarkable growth of 40.5% in weighted new business premiums; ICICI Prudential Life has restored its spot as the market leader among private life insurers in first quarter of FY2015-16. All other private life insurers amongst the top 10 in terms of weighted new business premium collection displayed an impressive growth in their new business volumes during the first quarter of FY2015-16.
with the omission of Reliance Life and Max Life. Reliance Life witnessed a decline in collecting their renewal premium by 49.5% and shifted from second to seventh rank. On the other side, Star Union Dai-ichi Life has made its existence into the top 10 private insurers, moving up from rank 14 to 9, due to an eight-fold increase in its regular premium group business. The life insurance industry was encouraged by the strong performance in the first quarter, has revealed enthusiasm within a number of companies making press statements indicating double digit planned new business growth for the year.

Insurance Regulatory Development Authority of India: This Investment under Sixth Amendment Regulations year 2015 has discharged an exposure blueprint on the amendments to investment regulations for insurance companies. The key modification was with reference to the investment of unit reserve portion of all classification of unit-linked products. The amendment decree that at least 25% of the unit-linked fund should be supplied central government securities however the report advises that this industry is opposing the amendment on investment of minimum 25% of the unit-linked investment portfolio in central government securities. This agreement of undertaking comprised of assorted group working on a project to analyse the existence regulations and outline a framework for proposed changes. It is broadly anticipated that the IRDAI will announce a number of fresh do’s and don’ts in a short span of time following recommendations of these committees in pursuant of the Insurance Laws (Amendment) Act 2015. Furthermore, in an administrative up to date, a committee set-up by the MoF has forwarded its report with certain sweeping recommendations to put a stop on false commitment in the distribution of commercial products.

It is stated that the industry outlook is that such a regulation could explain lower returns for policyholders from unit-linked products. There is a more concern that this would bring down the investment charges for insurers, thus affecting valuation of insurance firms at a time when the industry is adapting itself to increase capital. The insurance regulator has also discharged a circular classifying the Exchange Traded Funds with
underlying government security (GILT-ETF) to be a part of certified investments for insurers, subject to certain conditions.

The insurance regulator has liberated exposure abstract granting insurers to have other composition of capital. Key focal points include:

• Insurers shall be authorised to collect sums of money through various options such as shares other options which could be used are debentures and other subordinated debt. However, these other different forms of money possessed are subject to a limit of 25% of the total paid up equity capital.

• Investment made by a person or organization that puts money into various instruments like financial schemes, property by foreign investors with the aim and the intention and the expectation of achieving and earning a huge profit would be subjected to (FEMA) regulations.

• An enterprise having its company selling policy or life cover in our own country will make every possible effort to reach for and repurchase a prior right or precedence especially in connection with the payment of debts or a sum of money that is owed or due circulated subsequently after completion of 5 years minimal term.

• Such preference shares and debentures should be overwhelmed to policy holders, a person or company to whom money owes. Apart from this, they should either be continual or hold a redemption period of at least 15 years.

• It should neither be secured nor enclosed by a guarantee of the issuer such that it lawfully embellishes the seniority of the claim over the insurer's policyholders and creditors.

Recommendations of Bose committee on mis communication to client -
The MoF in November 2014 had set up a committee of experts who would work under the chairmanship of Mr. Sumit Bose, who was a former finance secretary, he was asked for advice to introduce measures to stop selling of product by giving false commitments and reasoning distribution incentives in commercial products. The management was required to analyse the existing incentive structure among various financial investment portfolio and suggest suitable policy act such that the dissimilarity across governing norms across different business do not support any specific economic product. The committee has been detracting of the prevailing possibility of supervisory arbitrage across various investment products and has recognized three key functions of various products like insurance, investment and annuity, with the recommendation that rules and regulations should be aligned and adhered to with these functions and not obtained from the form of the product. The advisory committee has submitted a comprehensive report with its conclusion and proposition and gave feedback by 5 October 2015.

The key recommendations which mean an idea or plan put forward for consideration by a reliable authoritarian genus provide the report as:

• Upfront commissions should be allowed only on traditional insurance products/ classic risk portions of bundled products.

• There should be no straightforward commissions on any financial investment products / venture portion of bundled products (such as in the case of unit-linked products or savings products purchased by life insurers) and such products motivated or encouraged to do something also provide with an incentive should be incentivised through the Assets Under Management (AUM) based aftermath model.

• There should be adjustable vent options on all fiscal products with minimal cost of exit. It submit guidelines to take control of delivery and aberration costs in traditional products and that profit from exit charges / lapsation profits should not be reserved by product providers.
• Regulators of each function should create a common trader (including employees of corporate advisers) regulation.

• For identical products, there should be an akin structure with respect to service tax, stamp duty and rural and social sector norms. They should also have an alike free look-in period.

• The product disclaimer should specify clearly the product costs and benefits. There should be transparency in the amount invested and return earned by them.

• Regulators should create a one point registry of all distributors and ensure that all the dealers are certified with an exclusive number.

A governing body selling insurance to consumer provides valuable inputs to companies which is actually a company that provides and sells insurance part of the Medicare industry for investing money into different money making schemes like stock market, shares, real estate, properties with an expectation for a return of additional income. This sector provides and sells insurance part of the Medicare industry is restricted to spend no more than 5% of the entire amount belonging to basic requirements that are needed for an operation of a society or enterprise. A planned transformation wherein regulation connected to put money in a planned proposal provided by the above sector was set up by the governing body responsible for carrying out insurance business in the year 2008. Further additional measure brings to light expansion of the approved funding options like the pledged or a thing deposited along with basic or ordinary people in general. This proposition will then be introduced to the regulatory agency of insurance for the purpose of sanctioning. The finale blueprint or the copy was documented was published in a report or newspaper/ column/ article, the one which belongs to an organisation or institution. These changes bring about an improvement in the flow of funds for investing purpose and make adequate preparation for resilience for insurers. The conversion provides with an edge or border appropriate to the action or the process of investing
money for profits towards an official documents provided by the banks. This body formed a group of working professionals to find out the existing norms and procedures in the current scenario and lay down a detailed examination of the elements or structure relating to the law and the transfer of capital made towards the purpose of investment with the companies selling policies.

**Features of Authority:**

- The jurisdiction will consists of chairman, whole time representative & part time associate and they will form as a group of members and will work collectively not independently like commander of Insurance.

- In case if any opponent quit or die, then those in charge will still carry on to work.

- A common veto with power to come into a commitment by pasting a stamp on the written communication.

- An appeal or bring charges against means the people in charge can file a case against anybody or institution and vice versa.
Duties, Powers & Functions of Authority (Section 14):

**Duties-** The responsibility of those in power is to command advertise and shield orderly development of the insurance industry and reinsurance business at the mercy of the supplies of any other resources of the act.

**Powers & Functions:**

- To safeguard the interest of the policy holders related to abdication value of scheme, settlement of insurance claims, insurable interest, nomination by the buyer of plan, other arrangement & conditions of insurance deal.

- In case of General Insurance, who evaluate the casualty of the purchaser of the investment cover should be fixed the code of conduct.

- Advertising ability in the transaction of coverage business;
• Advocating and standardising experienced management connected with the guarantee of legacy to their family and providing life cover business;

• Chosen profession for notification from, endeavour examination of, regulate interrogation including analysis of the buyer of policy, person who negotiates, allowance mediator and other institution connected with the protection business;

• Articulating the manner and form in which published documents of a record or statement of expenditure and receipts relating to a particular period or purpose will be preserved and description to be performed by a person or a company that underwrites an insurance risks.

• Supervising transaction of money by insurance companies;

• To determine the perpetuation of margin of solvency i.e., having adequate finance to pay legacy claim amount;

• To straighten out the disputes between insurers and broker or agent channel.

• Stating the ratio of life cover trading and general life assurance commercial activity is welcomed along with the guarantor within countryside or societal district and devoting the ability or capacity to do something or act in a particular way recommended.

**Influence of Insurance Regulatory and Development Authority (IRDA)**

• Regulation – This segment provide protection or safety against any untoward incidents that may occur to a bread owner is considered essential or absolutely necessary in the regulation of Indian Insurance Sector which is governed by IRDA. In order to maintain appropriate safety of the policy holder’s activity, the above governing body is deployed
to undertake a convenient observation over different activities of insurance sector in India.

• Policyholders Interests Protection - The objective which means a thing aimed at or sought; a goal is to safeguard the money invested or policy buyers or insurance consumers

• Awareness – Even today the penetration of the above sector is negligible and approximately only 8% of the total 123 billion population are insured which means there is wide scope for selling the company’s products in a particular market or area so to streamline the above activity the above body or agency called the IRDA is taking different steps to make the activities of insurance sector transparent.

• Insurance Market - There is greater transformation in the insurance market due to the regulatory framework or agency known as IRDA with respect to marketing, insurance products, competition & customer awareness.

• Development of Insurance Product – The Indian Government Watch Dog or Agency called the IRDA or Insurance body boast a rebellion towards expansion of this products. The evolution of market linked proposal gave rise to a process of transferring of a commercial venture like business, industry for manufacturing goods or doing same work or service from public ownership to private ownership and thereafter control of the same.

• Competition - There was no antagonism in the insurance sector after liberalisation because of the entry of private players. Many private players were invited to participate in this race thus as on today we have 24 private players in the insurance sector which has increased competition in the non banking financial sector.

• Saving and Investment of Individual- Insurance Regulatory and Development Authority has made efforts to make insurance popular along with profitable mode of investment and permanent place for saving amongst the individuals of society.
• Government Responsibility- IRDA is GOI regulatory body making government liable and responsible plus accountable in bringing uniformity in the life protection sector due to the consistent growth in the number of covered, expanding rivalry, number of multiple goods created and varied action of the insurers.

• Banks and Post Offices- Coverage has resulted in giving protection against any kind of unpredictability or hazards, so this industry has become well known medium for funds & investments and thus has redirected the movement of cash reserves from financial institutions & doorpost to life cover industry.

• Individual Life’s-Insurance Regulatory and Development Authority has laid out an understanding of the legacy left for their family by aiming an attention on a great clout over the life of an individual man of the society.

• Share Market- Private Insurers or opponent have formed ULIPs (Unit-Linked Insurance plans) in order to draw attention to more customers and thus is a result of up-to-date insurance segment. Therefore, life coverage produce has made quiet smooth to raise capital from the bureau and has also involved many person of the society obliquely with the movement of share market.

• Indian Economy- Insurance Regulatory and Development Authority has an collision over the fiscal growth of the country because funds invested by shareholders or dealers in various types of life products has regulated the finance of a country for a non business related activity to commercial activity & has made accessible to the governments of a country in order to furnish the various developmental activities in the country.

**Role of Foreign Direct Investment (FDI) Policy** - The Foreign players have commenced the mechanism of enlarging their apportionment in their joint ventures with Indian companies and turns out to be at changeable stages of accomplishment of the stake deportation since the Indian government passed a resolution in the parliament to
encourage the divestment or FDI stake in any Indian insurance enterprise has been increased or hiked from 26% to 49%.

The FDI norms presented in 2006 curb the foreign presence in an Indian Insurance Company to 26 percent of the latter’s share capital. Although the LIC still remains the biggest player in the market, the private companies are coming up with a bunch of cost effective policies and investment opportunities for people associated with all sections of the society. Such policies are advertised through attractive marketing strategies and luring the society at large.

Even after the liberalism of the non banking financial business, the government owned insurance companies have stayed to dictate this industry, savouring over 90 per cent of the venture share. Foreign participation is the method by which person living in a particular place i.e. one country obtain possession of property for the objective of ruling the manufacturing, dispersion and activity of able-bodied in different country. A key action played by the reassurance area is to assemble national certificate and route them into transaction in various areas of the abridgement. Contribution by Foreign player in life insurance would upsurge the seepage of it visibility and investment in India; Merger with Foreign partners will bring with them additional source of funds which can meet India’s longstanding capital needs for building of infrastructures. Insurance business has the competency of promoting continual backing of financial resources from the varied population because money invested here stays with us for as long as 30 years as or more than that. When the overseas market ushers in more funds by an addition from 26% to 49% in the assurance sector would alongside be a God send for the Indian austerity. This business also brought about improvement and augmentation in generating revenues general insurance sector. Over the years, Investment from Foreign partners into our country is becoming bigger. However, India has huge, overwhelming probable for captivating larger inflow of investments from foreign players in the near future or distance future. Their role in the contemporary world is memorable. It acts as the bottom line in the progress of the building of the country. The crest of liberalism and proliferation is detritus in respect of a rise in overseas equity funds in the joint ventures
business of insurance because serving or intended to regulate something or conducts the policy, actions and affairs with authority, the insurance markets around world jurisdiction policy regarding Insurance Sector in India.

Figure 16 - Standard life and Azim Premji’s transaction reports
Let me dissect the above graph;

Standard Life has reported that it will gain 9% of the proportion of HDFC Life from HDFC, promoting its financial retribution in the joint venture from 26% to 35%, subject to supervisory nod. Additionally, Standard Life has purportedly given up its preference to upsurge its holding in HDFC Life to the highest allowable extent of 49%, in line with the group’s acumen to reach out with an IPO before the year 2016. The implicit complete assessment of HDFC Life based on this activity is INR189 billion, lower than the hidden estimate of the insurer of INR209 billion following the sale of stake to Azim Premji Trust in December 2014 (stated in our Indian Market Life Insurance Update, Edition 58). Major business dealing metrics from the two stake trade have been correlated under for information. Farther press release recommend that HDFC Life is considering to divest up to a one-fourth of its holdings to the public as part of a prepared IPO at an implicit
total valuation of INR250 billion. Press news signifies that Edelweiss Tokio Life has received permission from the Foreign Investment Promotion Board (FIPB) for raising its foreign joint venture partner - Tokio Marine Holdings Inc.’s share in the company from the current 26% to 49%. Reputedly, the highest extra foreign contribution through this business dealings would be of INR5.4 billion fixing the assessment of the insurer at over INR23 billion.

Press note states that Aegon has sort permission from the Competition Commission of India (CCI) to hike its stake in Aegon Religare Life to 49% from its current status which is at 26%. Nonetheless, current announcement advocate that the project has been endorsed for adjournment by the FIPB.

A large number of different insurers have also disclosed importance in exchange of stake from the domestic to the foreign shareholders. BNP Paribas Cardif has started the method for increasing its shareholding from 26% to 36% in SBI Life. Statements from top management team of Ageas and MetLife also expressed that they too are considering a rise in allotment in their corresponding joint ventures - IDBI Federal Life and PNB MetLife. However, there is right now no accuracy on the timing and amount for these business dealings at the time of publishing. Additional reports convey advice that Aviva Plc, Allianz Group and Sun Life Financial Inc. are also enthusiastic to raise their shareholdings from the current 26% to the maximal permissible limit of 49% in their life insurance organizational joint ventures or partnerships.

Advantages or Profit Earned – The new government headed by Narendra Modi our very own Prime Minister has sanctioned to extend and allow foreign or overseas enterprises to join hands with our Indian company to promote their products as well so in order to take forward this task in a fruitful manner their contribution is being enhanced to 49% against 26% in the past. A group of people or personnel who are selected for a specific kind of work by a larger or bigger section of people or personnel that austere the contribution of funds of foreign players in the Indian segment. FDI limit in the Indian insurance sector using FIPB route which permits or allows the persons running an organisation to control a native or inhabitant of India or a person or company that
finances or organizes sporting events, concert or theatrical production. The new government run by Modi government has encouraged and laid down various avenues to bring about development in a course or principle of action business.

Advantages

• Enhancement of perforation – The population of India is approximately 125 crores that our country has maximum scope for penetration of insurance business. But the report submitted by the regulatory body states that around 3% of our GDP includes investments made the citizen of India. The amount of funds received towards life cover plan is very small as compared to other overseas countries which are found to be more than 10 %. This is considerably smaller as in comparison to Japan which has coverage seepage of more than 10 percent. The company which is in existence or operation at the current time is strengthened by rise in FDI limit as this increase brings with them additional capital for the growth of the company at the same time it open the opportunity for brand new players or fresh participant to commence their operation. They will bring in advanced methodology to boost people’s morale to invest in such proposal.

• Level playing field – The current government allowed and passed an amendment to allow foreign players to participate or invest their funds in Indian companies which the enterprise in our country have started availing this benefits. Even today this sector is dominated by one and only public sector giant LIC who has 70 % stake in the investment market.

• Increased capital inflow – In India there are 24 private sector insurance companies of which quite a few have been making tremendous misfortune. The norms says foreign players will bring in additional flow of capital once they are join hands with our entity operating in India and it is assumed that in the near future or distant future approximately 10000 crore is likely to be flushed in our country for development of this sector and if found that such infusion is leading to increase in revenue generation then this upward movement of flow of funds can be expanded to 40000 crore.
• Job creation – The job market increases because of additional flow of capital by the entry of foreign player in the country. Once the flow of money start pouring in, then this sector will create various positions within their organisation to cater the various needs that needs to be fulfilled on a timely basis so as to offer untimely and good focus on work and operation.

• Annuity or Superannuation – The parliament if they sanction a draft of a proposed law presented to them for discussion and if found to be in order then this proposal will be accepted followed by the upsurge in foreign capital up to 49% stake.

• Consumer friendly – Finally the advantages of this incorporation will be enjoyed by the general public as large number of new corporate players will enter this line of business will bring about animosity directing to cutthroat quotes, providing better assistance and if death takes place the beneficiary will get the legacy value at the earliest.

Problems

• Performance – After liberalisation the private players were allowed to set up their unit for life cover business in the year 1999 by allowing foreign players to join hands with them to carry out their operations. These overseas units were allowed 26% stake in the Indian business house and in order to avail this benefits 12 commercial houses listed their name which is a company that provides and sells insurance part of the Medicare industry. The company’s standard life insurance has a commercial stake of around 18% to 19% in commercial business of India; the value of the shares issued by a company along with the listed and expected additional entity has participative rights of 26%. In the health sector number of players listed is 8 of them of which 26 percent entitlement is held by 6 private companies. In the health business both Reliance and Cholamandalam operate on an individual basis without any assistance from overseas units. The accumulated losses of the private group that operates individually totalled approximately Rs. 38700 lakhs as against public domain that added to Rs. 9600 crores extra. In health
care industry, on the alternative side, the government owned unit earned approximately revenue of Rs. 62600 lakhs. It was notified that four of them incurred a bad luck in the year 2003 and 6 of them who has international support incurred huge losses of roughly Rs. 290 lakhs. One of them is Messrs. Reliance life this is the only company which had no association that time with any foreign partners emerged as one of the highest money - making entity.

- Soundness - The altercation that the entry of international players will bring along with them more power and knowledge and expertise and the skilfulness to run this operation smoothly failed miserably and the best example of these are the present day occurrence with critical situation where many companies like American International Group, Lehman & Bro and Goldman Sachs group crumpled. In bygone days also, the Prudential Financial Inc., incurred a query by the regulatory agency located in the USA. Issue or problems such as falsely implicated accusations with bogus signs made by the customers on the blank forms. Such facts of forgery came to light when they made a payment of $2.6 billion to settle a class -action lawsuit which refers to a claim or dispute brought to a law court for adjudication, mis -selling cases filed in the year 1997 and a compensation of 65 million dollar from regulatory authority in the 1996. Amplifier shut their business unit and started a fresh venture in the year 2003. There was another establishment which closed down their flourishing business by the name of Royal Sun Alliance in year 2002. A present-day statement by Mercer Oliver Wyman a global consultancy firm seek to find that a Europe based establishment was running inadequacy of funds amounting 60 billion European currencies. A study conducted submitted a report by a number of experts based at various different Europe or its habitants which refers to an individual or a firm where the risks is evaluated and the underwriters underwrites the risks; the person or a group incurred heavy losses by way of shortage of funds because of incorrect decision made to invest in high risk products in the beginning and sometimes later in debt related instruments. Thus it is certain that by allowing international form to join hands with operation of India will bring about sceptical and hypothetical activities of the foreign insurance companies to light our financial markets during any time when the perfection of a things which means
excellence control (something, especially a business activity) by means of rules and regulations this conditions in which things are happening or being done are being debated in the progressive and profitable countries.

• Greater utilisation of saving - A person who has saved a small portion of his earnings regularly, especially through a bank or official scheme in insurance - One of the most important or great significance or value duties played by the insurance company that provides and sells insurance part of the Medicare industry sector is to utilize the savings made by the nation and then reinvest them into various alternative plans. Such type of investments which refers to the action or process of investing money for profit by the careful management of available resources. In whatever way we have not come across any major improvement after the removal of restrictions.

• Movement of funds to infrastructure – The principle intention of this sector is to bring about savings among the general public and invest in such proposal for a longer duration. This kind of process provides benefits or profits to the government as these reserved funds can be utilised for various development namely the roads and infrastructure. These companies should encourage people to invest in par and non par products so that the commitment is for a longer period of time and these amounts can be further utilised for the upliftment of the society. However it is noticed that around 50% of savings are put in ULIP where 95% is deployed in the equity market. The latest report states that both Birla Sun Life and ICICI Pru is the maximum distributor of funds in the equity sector.

Benefits
• Funds – The above entity is the action or the process of investing money that is needed or wanted to fulfill India’s long term requirements in the form of finance for the development of infrastructure. When we receive money in the form of direct investment we can utilise these funding to develop the economy as a whole. Recently we have come across many insurance sectors that have allowed foreign participation to have joint venture with the Indian companies. In an arrangement by which a company or the state undertakes to provide a guarantee of compensation for specified loss, damage, illness or death in return for a payment of a specified premium as many as 30 years. When the funds from overseas countries invest in the companies in India more and more people will start focusing on proposed plan.

• Huge area for development – When the overseas company agree to bring their money in our country after deciding and meeting several companies based in our home country with a vigorous or determined attempt to start their operation with the help of several initiatives laid down by them where the infiltration of coverage is immeasurably low at abbot 3% of GDP of premium as against 8% international average.

• Moving towards Global Practices – Our country has made arrangement by which company or the state undertakes to provide a guarantee of compensation for specified loss, damage, illness or death in return for payment of a specified premium move slowly following the state of a country in terms of production and consumption of goods and services and supply of money. The contribution in the above are displayed as India is 3 percent and UK is 13 percent and 11 percent for Japan and Korea at 10 percent and US at 9 percent. So far we have received an update that overseas involvement is approximately 830 crores only against 3200 crores.
• It provide consumers with competitive products, better options and exceptional service Levels - Allowing FDI in the insurance sector would be a better proposition for the consumers, in a many different ways. Increasing FDI will have an aftermath on a lot of industries in a positive.

**Role of Public Insurance Company in Insurance Sector:** The origin of concept of insurance is augur in antique. Various authors attribute the growth of the concept to different communities and tribes. Some maintain that the Indus valley was the crib of insurance, while other believes that Ebonies, an ancient ethnic community of Greece, bolster this concept of danger. Insurance in India can be copied back to the Vedas. For example, “Yogakshema” the brand of LIC of India’s corporate headquarter which is transcribed from the Rig-Veda. The term Yoga-kshema wherein we work and earn money or assets and we save them that it has been found widespread around 1000BC, this was also practised by Aryans. YOGA means work to achieve or purchase and Kshema would be saving what you earned. During seventies and eighties insurance was assumed as a means to supply money for English widows. First insurance company in India was initiated in 1870 in Bombay as a part of economic sector reform. The first stock companies entered into insurance segment were sketched and incorporated business in England in 1720. In the history of insurance as a start up in the year 1753, LIC provided insurance use in America only for American Ministers and their dependents. Freedom of its origin and predecessors, insurance today occupies an important area in the socio-economic life of all communal societies. Insurance scheme or policy gained importance due to protection against the monetary loss which happened due to some untoward or untimely or sad incident or accident. Though the theory of insurance is old as history of mankind to some 6000 years, it has got its existence registered in India around in 1818 with opening up of Oriental Life Insurance Company in Calcutta by Europeans. The original Indian Insurance Company and Bombay Mutual Life Assurance Society was established in 1870, next on the development of Indian Life Insurance companies such as United India in Madras, National Indian and National Insurance in Calcutta and the Co-operative assurance which means that any financial joint venture or work, which are executed and whose
profit/ loss are shared jointly by their stakeholders or shareholders at Lahore were amid which were developed to treat the Indian population at par. With expansion in the pressure from Indian savvy, to give the Indian Insurance Companies act, 1912 and Provident Fund act of 1938 which not only controlled the Life Insurance Industry but also had its spear to the Non-life Insurance Industry. With the surge in barbarity from all these companies, the demand to alter the prevailing act of 1938 assumed velocity.

Therefore, in the year 1956 the act was passed as Life Insurance and Prevailing act, 1956, which allowed or planned or put in place a process to have all Indian insurance companies under one banner which is called as LIC. Till 1999 LIC was the only life insurance participant in the Indian Life Insurance field, when government of India decided to alter the then predominating act banning the private life insurance player to invade the Indian market. It was Insurance Regulatory Authority, (IRA) in 1999, which gave the privilege of the private players to participate in the field. But the simple motive for recommending such an act was not achieved as the amended act further added the possibility of a seed been sown for the concept and the process of creating an insurance regulator that takes care of the coverage matter (IRDA), 1999 further revised and brought about component for competitiveness. Thus, government of India via IRDA granted the private insurance player also to participate the Indian field and made some arrangement for foreign insurance companies that if they want to penetrate the Indian market they can do so but to the extent of 26 percent of share only with any of the Indian associate. Today various private life insurance companies are working in India, some in entirely intrinsic construction and a few as a joint venture with foreign company or with Indian company. Jointly they hold the market share of approximately 24 percent in life insurance market. Still LIC holds the aristocracy with almost 76 percent of market share.

Indian Insurance Sector was nationalized after a nationalization of Life Insurance in the 1956; there have been elementary changes in the organisational objectives of public sector giant known as LIC. The insurance work was attempted to be broadened even in rural areas. The purpose was to touch base all the potential buyer of the services. In
spite of the various measures adopted by both the Corporations, the insurance business did not receive the much positive response, especially in rural areas. This demands a change in the marketing practices of LIC. The main job is to alter the potential policyholders into actual policy holders. This archetype shift in Indian Insurance is showcasing positive signs for our economy especially in private sector. In the long history of Indian Insurance, the first radical transition took place in 1956 with the nationalization of the policy known as a course or principle of action adopted or proposed business avenues followed by nationalization towards general industry on 1971. This business came into existence in the year 1818 and was diverse and dispersed. Before centralisation 245 companies were formed of various demographic characteristics which succeeded in surviving or in achieving something despite difficult circumstances took care of both life and general business.

This sector transferred from private to state ownership or control in the year 1956 and was named as the LIC an Indian life insurance enterprise which has been a creator for such business and they still dominate the non banking financial sector. The post and Telegraph Department had planned some business for their team, but as compared to public sector giant company is imperceptible and deteriorating. A major stride taken by the Government in 1991 with daybreak in creating awareness in the public sectors that without policyholders there would be no business and that policyholders are an equally meaningful part of a business. This industry is a growing or grown insurance sector that provides enterprise with risk taking abilities which in turn creates employment, sales through direct or indirect employment. A well-managed insurance industry offers clear -cute and satisfactory insurance coverage at a cost effective price to the society. Many developing economies which is identified as the state of a country or region which plays a role in terms of the production and consumption of goods and services that is used by the population of that country and the supply of money tap the insurance premium assembled by the insurance companies as an origin of national development and infrastructure financing. Insurance not only helps in judging the economic value of insurance cover it essay to the society but also as an economic exemplary which decreases the aggregate value of perils in an economy by the process of misfortune.
transfer. Insurance also provides the excellent usage of funds without any need to latch in huge amount of funds to provide cost eventuality arising out of risk action. Life insurance buoys austerity and saving among individuals thereby supplying to the budgetary growth by promising capital formation.

**Function of Private Insurance Company in Insurance Sector:** Such entity having no official or public role or position such insurance companies have appeared sparse, capable and more cost-effective from the 2008 calamity, but threat remains. Most private life insurers preserve the trait of the business they are sponsoring now is much better than it was up to 2008/09 when annuity income seemed to be burgeoning aggressively. It is basically because unit-linked insurance proposals (ULIPs) are no lengthy in rage and regular term insurance deal has made resurgence. Even up to 2010, ULIPs constitute 83 per cent of the audience; they are now declining to 28 per cent. "Classical/Regular plans tend to have more perseverance than ULIPs," says Anuj Agarwal, CEO and MD, Bajaj Allianz Life Insurance. ULIPs, which are share market-linked, are basically asset products with insurance inbuilt in. Usually, their withdrawal rate - once the policy term had been completed is soaring. (Traditional policy plans are those which provide life cover alone, with perks - they dismissed once the insurance regulator, the regulatory body lay down stringent terms on their business - dilatation the basic term era from three to five years, suppress adviser pass back as well as the accusation that could be levied if policies were submitted for withdrawal before the policy term is completed, and recommended the life cover should be at least 10 times the yearly premium.

Their consultancy fees reduced, financial advisers no longer sell ULIPs as religiously as earlier. Insurance companies too have had to redo their planning with IRDA by all means disheartening them from using fine for early cessation of investments as a meaningful credit stream. "The additional arrangement have compress limit a bit," says Rajesh Sod, CEO "The revenue of the business is going to change as compared earlier. The dispute is how do you increase your business, how do you infiltrate more and boost customer discussion without any change in cost and restrict the criteria of the
acceptable product design” says the MD of Max Life Insurance Company Ltd. IRDA wants private life insurers to allure their profits in different ways - from the volume of assets under management, selling of products, renewal of policies, etc. “The mindset of the regulator is absolve,” says Bakhshi of ICICI Prudential. “Returns should be viable over the lengthy term and profitable both to the company and to civilization at large.” He believes this will be an advantage in the near future “The merger period has made both products and mechanism of private life insurers healthy,” he adds. “Growth in the next few years will be much more viable.” If private life insurers’ fundamental lines are becoming healthier now, it is because of policy renewals rather than new business being purchased. (In long term life insurance business, there is no revenue generated in the first year premium, due to the adviser fees and fund management cost involved, but these diminish year after year till policy term.) By now, most private life insurers have developed a demanding mass of buyers of policy and the business is compensating back. SBI Life Insurance Co. Ltd, for instance, collected a total premium of Rs 10,740 core in 2013/14 of which next year premiums totalled Rs 5,673 core. ICICI Prudential Life gained Rs 12,430 core from its new business in the same year of which Rs 8,669 core came from renewals. Cost optimisations are also adding to profits - private life insurers have begun to take advantage of their branches, employees and advisers in a productive manner. In the 2001 to 2008 period, many of them recruited adviser blindly, and this favoured the original growth. But now the basic means of selling life insurance products is joint venture with banks and other corporate business houses. All the big insurers are fecund more than 50 per cent of their premiums through abject cost banking channel.
Exhibit diagram below represent the equity in the business vis-à-vis the equilibrium in the profit and loss during FY02 and FY12. The progression line represents the first year premium earned by private life insurance companies

Performance of Private sector life insurance companies

Figure 17 - Handbook on Indian Insurance Statistics 2011-2012
Exhibit above represents the performance of private sector medicare industry’s main life insurance business, the financial period between 2005 till 2010 was principally influenced by linked life insurance business specifically in case of the private sector players. The success of the Linked plans is entirely associated to primary capital markets. The period FY06 to FY08 heard boom in the country’s capital market which in turn contributed to the insurance companies. The period during FY2009 – FY2010, economic slowdown led to decrease of demand for coverage business thereby affecting the selling of policies.

A diagram represented below speaks about the premium mix of the industry which is at a similar mix as of FY04 describing almost a reboot of the life insurance business.

**Figure 18 - Premium mix and declining growth rate (FY04- FY12)**

It is being noticed in the above diagrams that after the induction of regulatory body IRDA came into existence in July 2010 and was effective from September 2010 introduced Unit Linked Insurance Plan (ULIP) norms and guidelines and placed a cap on few charges like direct cost, revenue earned and brokerage amount on the basis of which ULIPs were defined. Immediately after the formation of these rules and
regulations during the FY 2011 and FY 2012, this sector faced a major changes which means several modifications was observed among traditional products which indicates that focus drifted to par, non par and ULIP mix of products simultaneously. The premiums reduced annually around 19% as exhibited above during the FY2011 and FY2012.

Figure 19 - Equity infusion and movement in profits / losses

Source: Handbook on Indian Insurance Statistics 2011-12 published by IRDA
The diagram listed above constitutes the supplementary equity introduced by the private players in the industry since the FY2004 and the shift in the cumulative balance in profit and loss account. The periods FY08 and FY09 experienced immense flow of equity primarily to fund the developing entity with resonance in the country’s financial system and this has also expanded due to four new private players making an entry in the Indian life cover business. The periods FY11 and FY12 had a combined positive movement in the reserves. However, this absolute change was meagrely driven by lapse profits on linked policies circulated earlier. The rules and regulations laid down prior September 2010 permitted this sector to write off lapsed money from the policies whereby the purchasers due to various reason unknown were unable to complete the premium paying terms so the plan proposed was lapsed or discontinued and it was added as revenue or income in the books of accounts over a period of time. Valuation by October 2012 Goldman Sachs Global investment research report for just six companies displayed total lapse revenue generation of INR 31.89 billion for two consecutive years ending 2011-12. The quality of money for work performed can be affected by non recurring items such as revenue from lapsed policies. The sector is at demanding juncture wherein it has to classify the right models for longstanding viability. With monetary surge expected to be reduced in 2013 and a weakening global economic outlook as well, insurers will have to contend themselves with one more year of weak investment which is a process of the action or process of investing money for profit returns. Moreover with the threat faced by the medicare enterprises are spending a high cost on allocation and operations, it is important that life insurers must make efforts to find sustainable model for the long term to sustain them.
Figure 20 - The administrative consumption ratios of private life insurers for FY2014-15
The chart above symbolizes that the maintenance costs of life assured have earned additional attention off late with instant serious thought discussions among business participants on the persons who takes part in activity cap for upkeep of administration. Additionally, rising thought is being compensated to distribution of total organisation cost by channel of trade, as cost apportion to participating entity are precisely consolidated with the owner of the policy. Huge spending quota remains a common thing for the trade as most entity continue to sense cost and payment defeat relative to long standing consumption stow allowed for in pricing despite almost a decade and a half since privatisation. Even though, the general liability ratio for the life insurance industry (eliminating Aviva Life and Sahara Life) has reduced from 18.7% for FY2013-14 to 16.3% for FY2014-15 as focussed efforts are being made against to rationalise the cost. The cost ratio is articulated as a percentage of absolute running outlay relating to the insurance field over the complete premiums. Besides the budget ratios, the diagram also demonstrates the diameter of the insurer in terms of entire premium earnings through the proportionate bubble size and the elementary dissemination route.
for respective business taken up by the association through the horizontal axis. A comparison of the spending ratios stated in our India Market Life Insurance Update, for FY2014-15 and for FY2013-14.

Edition 56 has witnessed an improvement in their expense ratios during the year. **SBI Life** strikingly has the minimum expense ratio between all private players with 9.5%, nearly same as that of the state-owned insurer which means a situation involving exposure to danger or sign and accept liability. **LIC. DHFL Pramerica Life** has managed to substantially reduce its expense ratio by around 40% in infinite terms. Among other illustrious development since the preceding year, expense ratio of **Bharti AXA Life** also decreased by 9.4% while that of **Shriram Life** elevated by 9.9% during FY2014-15.
The above table represented that examination and determination belong to comprehensive sum ratio; the plan appended below provides an evidence of distribution of expenses by edge of business for private life insurers whereby similar facts are available. Particularly, liability ratios for participating business are higher than the overall company level debt ratio for four out of six insurers shielded in the study.
The above table report announced in the India Market Life Insurance Update, Edition 60 the comparative study of the expense ratios for FY2015-16 with those for FY2014-15 show that **Tata AIA Life** observed and attested an upsurge in allotment of premium earnings acquired via banking mode by approximately 30% during FY2015-16 and subsequently documented a dip in its cost ratio from 23.5% for FY2015-16 to 19.4% for FY2014-15, exhibitive of skill via bank led agency model combined with other expenditure expertise the organisation has taken into action. Apart from this, **Exide Life** experienced a downturn in premium revenue earned via bank driven distribution model by 7% approximately during FY2015-16, along with an upswing in its expense ratio from 25.6% for FY2014-15 to 32.1% for FY2015-16.
Role of Customer Perception: A person who purchases goods and services for personal use or an individual goes and buys certain products for him and his family is when there is need to do so, that time he makes his own decision based on quality, time period, certain shops and type of features it carries with it. An attitude means a settled way of thinking or feeling about something or particular attitude or way of considering the matter or the position, from which something or someone is observed to carry out as required, promised or expected to fulfill the necessity. A detailed investigation and analysis of a subject or situation enables a merchandiser to make it easier or possible for someone to do something by offering them one’s services or resources thus a person who works in or advocates a particular type of market checks in advance the behavior pattern of the purchaser while buying or before placing an order, his likes or dislikes, the place or the location where he choose to buy goods and services is studied well in advance. The systematic process to check into study material and evidences in order to establish connections or points and reach new concluding points known as customer research, the method used to ascertain the manner in which a person behaves especially in a particular place or situation throughout the course or duration of a period of time. A demeanor also referred to as inter disciplinary concept relating to more than one branch of knowledge has incurred by a person who is studying or has expert knowledge of one or more of the natural or physical science like study of human minds and its functions, development, structure and functioning of human society, biological and physiological circumstances. This needs to be main crust of any action or business of promoting and selling product and services including marketing research and advertising. A positive declaration intended to give confidence or promise in our home country a group of people with a shared profession, interests or acquaintances. In the state of Calcutta in the year 1818 one of the oldest business house for providing coverage to people was set up by the name of Oriental life.

A policy is a blueprint or a proposed plan lay down by the organization to safeguard the future of the nominee or the beneficiary upon the demise of the individual who is the earning member of the house. It serves as a protection device or keeps aside a bulk
amount for future savings as well in case the bread owner survives the policy term. In other a security or protection against a loss or other financial burden is an agreement where the insurance company agrees to compensate to the customer in case of natural or accidental death to pay the nominee a bulk amount accumulated from the time the primary holder or the proposer has started paying the premium to the company against a sum assured booked at that time of buying the policy.

**About Customer Perception:** A customer attitude or behavior examines the nature of the individuals to assimilate with augur the contracts for assets bought at an agreed price but delivered and paid at a later date. We prepare a sheet of paper with something written or printed on it where the subject is getting discussed about the roles of IRDA and insurance entity, Indian PSU and Private sector banks, other aspects which determine consumer demeanor, purchase conclusion or resolution reached after consideration and strategy of customers intention of purchasing is been notified. This also includes the amount of risk coverage applied for one’s own self together for his immediate family as well purchasing a security is being covered in this discussion. An investigation or the enquiry was managed and distributed by expressing position or orientation covering 334 large towns. Addenda of 1947 a person of a specified kind occur throughout an area circulating a set of printed or written question with a choice of answers devised for the purpose of survey. The information about reactions to a product is controlled by or connected to a computer verifies the input and provides output. The Indicus analysis then verified and inputs with its databases on financier and their habits. The person’s performance of a task used as a basis of improvement covered the highest 5 metropolis in position, 10 megalopolis with 30 members. The profile of the target respondents is occasionally matched. A person or a place selected as the aim for testing knew English as a medium of communication were fully educated. Their demographic classifications with various parameters were suited for such study.
Role of Consumers Perception: Perception is the mechanism by which company analyze and systemize sensation to produce a worthwhile experience of the world. Sensation usually refers to the instantaneous, relatively raw result of stimulation of sensitive receptors in the eyes, ears, nose, tongue, or skin. Perception, on the other hand, better describes one’s unique adventure of the world and typically involves further refinement of sensory input. In practice, sensation and perception are virtually impractical to separate, because they are part of one ongoing process. Thus, perception in humans defines the process whereby sensory stimulant is translated into standardized experience. That experience, or percept, is the joint product of the acceleration and of the process itself. Relations found between various types of expedition (e.g., light waves and sound waves) and their associated conventions suggest conjecture that can be made about the properties of the perceptual method; theories of perceiving them can be developed on the basis of these allusion. Because the perceptual process is not itself public or directly apparent (except to the spectator himself, whose percepts are given directly in experience), the validity of emotional theories can be checked only obliquely. Chronologically, systematic thought about perceiving was the department of philosophy. Philosophical interest in attitude stems largely from investigation about the sources and effectiveness of what is called human wisdom (epistemology). Epistemologists ask whether boorish, physical world exists solely of human experience and, if so, how its ownership can be well-informed and how the truth or certainty of that experience can be agile. They also ask whether there are deep-seated ideas or whether all experience arises through various forms of communication with the physical world, considered by the sense organs. As a scientific activity, however, the thorough check of perception has especially developed as part of the larger regimen of psychology. For the most part, psychology circumvents the questions about conscious lifted by philosophy in respect of problems that can be controlled by its unique methods. The leftover of such philosophical investigation, however, do exist; analyzer is still concerned, for example with the analogous contributions of innate and learned factors to the affective process. Such fundamental
philosophical assertions are taken or assumed to be granted amongst scientific students for perceiving as the existence of a physical world. Typically, researchers in perception simply accept the definite physical globe precisely as it is interpreted in those departments of physics affected with electromagnetic anxiety, eyesight, and nitty-gritty. The difficulty they contemplated revealed to the movement whereby percepts are formed from the interaction of physical energy (for example, light) with the ability to recognize conscious thing. Of further interest is the degree of comparison which means compare pros and cons between percepts and the physical objects to which they commonly related. In philosophy, psychology, and subjective science, perception is the process of obtaining attention or empathetic of sensual information. The word "perception" comes from the humanistic phrase perceptio, percipio, and means "receive something, congregate, and process of taking charge of something, anxiety with the brain or senses. Perception is one of the ancient habitats in psychology. The veteran survivable law in psychology is the Weber - Fetcher law, which gauges the relationship between the passion of physical encouragement and their feeling effects. The study of perception gave accretion to the Gestalt school of psychology, with its emphasis on integrated approach.

Recent probe shows that in most economical use, such as firms undertaking consumer inspection, a single-item complete relief scale function just as well as a multi-item scale. Especially in bigger scale studies where a research worker must gather data from a large number of clients, a single-item scale may be favoured because it can curtail total survey error.

Customer happiness is a business term that calculates how goods or services provided by an entity fits or exceed a consumer’s belief and anticipation because it provides dealers and job owners with a method that they can use to administer and make or better their businesses. In an examination of nearly 200 senior marketing managers, 71 percent reacted that they created a gratification metric very effective in controlling and watching carefully their businesses.
Here are the top six inferences why satisfaction of customer is so relevant:

- A popular sign of buyers repurchase aim, purpose and faithfulness.
- A speck of distinction
- Decrease purchaser swirl
- Boost customer lifetime value
- Cut down bad word of mouth
- Low-cost to hold on to customers than obtain new ones

**A popular sign of buyers repurchase aim, purpose and faithfulness:**
Someone who purchases goods and service is the best guide of how likely a consumer will make a buying in the near future. Consumers are requested to assay their state of comfort on a scale of 1-10 is the best way to detect if they will become recapitulation or even proponent. Any buyer that give you a rating of 7 and above, can be treated as content, and you can harmlessly hope them to come back and generate repeat purchases. Those who give you a rating of 9 or 10 are your promising patron person supporting an idea or cause publicly who you can influence to become preacher for your organisation. Total and point of 6 and below are caution signs that a prospect is sad and at peril of desertion. They need to be put on a user ticker list and followed up so you can decide why their fulfilment is low. *See how pleasure provides so much awareness into your customers?* That’s why it’s one of the most popular prosody trade uses to measure clientele redemption and trustworthiness.

**Point of differentiation:** It is found that in a competitive environment where companies/entity/trade fight for customers; providing joy in the minds of general public is viewed as a major differentiator. Trade who become successful in these ferocious surroundings which persuade an offer exactly identical commodity. *What will make you
select one over the other? If you had an advice for one job would that clout your attitude and belief? Apparently we need to see as to when and how that guidance stares? More than hopeful it’s on the basis of a valuable customer experience. The organisations which attempt to provide awesome customer know-how build atmosphere where happiness is big and promoters are found in abundance. This is found to be an example of when and where satisfaction or having fulfilled the consumers requirement all around. Not only can a purchaser who buys regularly gain happiness and will shut the bad mouthing, it will also act as a regular shopper’s contentment help you keep a thumb on the rhythm of your existent customers, it can also act as a differentiation among new brand of customers.

- **Reduces customer churn:** An Accenture world-wide consumer satiety record (2008) found that fare is not the predominant logic for customer swirl; it is because of the general low feature of consumer assistance. Customer satisfaction is the metric or a device or it can also be referred as a system or standard of measurement which is used periodically to avoid decrease in the customer for the purchase of goods or services. In order to ensure that the customers do not move away or choose another entity to fulfil their needs and desire we have to constantly make efforts to provide cent percent satiety level of the customer by placing all new processes in place to hike the all-inclusive trait of your customer service. I urge you put an articulation on surpassing customer notion and ‘amuse’ customers at every favourable circumstance. One has to continue doing this for at least six months, after which measure or calculate buyer satisfaction or fulfilment or requirements by attempting again, and then it is important to check whether the new initiative has been able to create any impact on the buyer satisfaction or fulfilment.

- **Increases customer lifetime value:** A survey undertaken by Info Quest makes us believe that a content customer provides 2.6 times further revenue that those consumers who are happy partially. Also a completely responsive purchaser generates 14 times more wealth creation than a lower dissatisfied buyer of product offerings. Gratification plays a meaningful act in how much yield a customer creates for your
entity. Lucrative trade discern the importance of customer lifetime value (CLV). If the CLV increases, you upsurge the income on your marketing dollar.

**Decreases negative word of mouth:** McKinsey seek to inform us about a low spirited consumers anywhere between 9-15 people are aware about their knowledge. It is known fact that 13% of sad customers tell 20 more people about their unhappiness. How much will it influence the improvement of your organisation and its stake?

Customer satisfaction is immovably related to profit and rerun acquisition. What often gets erased is how customer’s delight affects your business. It is a last option to drop a customer because they were unhappy. It is also another matter to deprive 20 customers because of some bad word of mouth. To eliminate disappointed buyers you need to keep a watch on customer satisfaction regularly. Pursue changes in satisfaction will help you identify if clientele are actually happy with your goods or service.

**Cost effective to retain customers than acquire new ones:** This is apparently the most widely known customer satisfaction fact out there. It charges six to seven times extra to obtain a new customer than it does to keep existent customers. If that fact does not collide agreement with you then there is nothing much else I can do to illustrate why customer cheerfulness is crucial. The company and the individual have to spend a lot a lot of time, energy and money to acquire a new customer. You and your sales and strategy team incur lots of cost that is invested into creation of prospective buyer, then being able to convert them into positive leads or positive prospects and the most important task of converting prospects into positive sales.

We have placed few strategies which can be used to retain customer like educating them by using blogs, sending messages on a periodic basis regarding good deals, undertaking survey regularly to interpret and view in a particular way to ensure needs of the buyer is met at all times.

Lee Resource Inc. in their research analysis reported that for every disheartened buyer we have 26 clients who are not vocal about their unhappiness and have remained silent on the same which is approachable. Majority of the entities have a perception that they
are the best and have only satisfied consumers. But the reality check shows that 96% of desolate buyers never complain. In fact a report by Financial Training Services found that such type of arid purchasers leave us without grumbling or criticizing and they never return to us.

Therefore we come down to a conclusion that satisfaction level of a consumer or the buyer is of primary important in any business venture. Not only is it the barometer to ascertain customer loyalty and accept comfortless buyers and boost earnings but also a differentiator to identify new consumer in an ambitious business circle.

1.2. Problems in Indian Insurance:

The Indian insurance industry has been increasing between 15 and 20 percent, but it falter far behind its international correspondent. This was because of the subsequent grounds:-

- Insurance company develop products and step out to locate policy buyers. They do not create custom-made products offering that the market and Indian consumer wants to supplement their changing needs. The insurer must seek additional markets beyond India.

- Insurance knowledge among the regular public is at the bottom and policy is depleted as a measure to claim tax rebate rather than future legacy. There is a need to create new means to advertise insurance products.

- Term Insurance Plans were not endorsed in full force by the insurance service providers so there is an urgent need and requirement to publicize term-insurance and adaptable plans.

- Unit-linked insurance plans (ULIP) were not applicable in the past but at present the marketers feel a tight competition with mutual funds, stock market and government securities. Therefore, there is a demand to rejuvenate obsolete publicity strategies.
• Insurance coverage was a costly affair and beyond the means by bulk of customers. Hence there is a necessity to provide life insurance to young and senior populace by recommending brand-new policies.

• Returns from Insurance Products are little therefore the service providers should offer additional plans with guaranteed return.

• There is a scarcity of inventive and customer-friendly made to order insurance products and buyers of policy have limited knowledge about marketing mix of insurance policies and they foresee extra translucency in the insurance patronage, price mix, product mix and many more factors of insurance policy.

• Nearly all advisers and development officers are focussed on generating new business, servicing current holder of policy adequately has not been a preference for them. The main reason is that commissions are the apparent reason and in this the advisers are rewarded for generating fresh business and not on providing quality and timely services to existing policyholders, resulting which lapse policy has increased year after year. The insurance industry should come out traditional agent based model whereby advisers should visit their respective branches and collect renewal data on monthly basis. They should ask customer to visit the branches with them to deposit renewal cheques and collect acknowledgement.

1.3. Research Objectives:

• To find the perceptions of the consumer towards the purchase of life insurance policy after liberalisation and higher degree of competition.

• To measure the satisfaction level of the policy holder in a competitive environment.

• To access the impact of brand image in selling the insurance policy to a consumer by an agent.
1.4. Scope of work:

• The above analysis is restricted to the population of Mumbai city.

• The detailed investigation will reveal which means make known to others the greater likings for one alternative over another, basic necessity along with preconceived notion and the satiety level of the common man towards public and private life insurance service providers.

• This situation will help this sector to know if all the offerings given by their organisation is found to be satisfactory or not and are they providing the required help to those who wants to buy them.

• This study will help the company to create awareness among consumers of different ages and income levels.
1.5. Organisation where work is carried out

Figure 24 - Market Share of leading players of insurers

The diagram above depicts that there are 12 leading players in the Indian insurance industry. But as far my subject is concerned we will emphasis on the major life insurance companies in Indian insurance industry which are on the top most point in
Indian market and least position in Indian market. My study includes 1 Public sector insurance company known as LIC and 4 other Private enterprise whose names are given below companies. These companies are:

i. LIFE INSURANCE CORPORATION OF INDIA

ii. ICICI PRUDENTIAL LIFE INSURANCE COMPANY

iii. HDFC STANDARD LIFE INSURANCE COMPANY

iv. BAJAJ ALLIANZ LIFE INSURANCE COMPANY

v. BIRLA SUN LIFE INSURANCE COMPANY

**Life Insurance Corporation of India (LIC):**

LIC of India is the age old organisation with a traditional set up in our home country existing over a decade. One of the largest insurance companies of India was set up in the year 1956, as a state owned insurance group and a venture firm that provides a variety of insurance products to its buyers. Some of the standard products that is offered by the company are pension plans, child plans, unit linked plans, specialized plans and group scheme. With a network of 2,048 branches the company has a large number of staff located in different cities and towns all over the country. LIC has a claim reconciliation ratio of 98.19% with full complaint resolved over year. LIC as an organisation has approximately the following details like 5 zonal offices, 33 divisional agencies and 212 branches apart from its corporate office which was incorporated in the year 1956. At present LIC carries out its operational activity with 2048 fully computerized branch set up, 113 divisional committee, 8 zonal offices, 1381 satellite divisional set up and the corporate and head office. LIC’s massive area network covers 113 divisional lay out and group together all the branches through a Metro Area Network. LIC has tied up with few Banks and Service providers offering on-line premium
collection facilitator in identified cities. LIC's ECS and ATM premium collection provision is an extension to customer convenience. Apart from on-line Kiosks and IVRS, Info Centres have been deployed at Mumbai, Ahmadabad, Bangalore, Chennai, Hyderabad, Kolkata, New Delhi, Pune and many more cities. With a view of providing smooth approach to its policyholders, LIC has established its SATELLITE SAMPARK offices. The satellite unit are petite, svelte and nearby to the customer. The computerized details of the satellite premises will aid in whatever place servicing and many other accommodations in the future.

ICICI Prudential Life Insurance Company Ltd:

The above entity is a joint undertaking between ICICI Bank Ltd., one of India's biggest private sector banks, and Prudential Corporation Holdings Limited. ICICI Prudential Life started its activity in financial year 2001 and since then it has been one of the top competitor in the Indian life insurance sector since the inception of private competitor. The Assets under Management (AUM) of this opponent as on 31st March 2016 were 1039.39 billion.

ICICI Prudential is the alone private life insurance service provider in India to earn a National Insurer Financial Strength rating of AAA (India) from Fitch. The AAA (India) rating is the topmost rating, and is a clear promise of ICICI Prudential's capability to meet its commitments to customers at the time of settlement or claims.

The Company attained a market share of 11.3% in FY2016 based on RWRP. The Company's RWRP grew 8.1% from 45.96 billion in FY2015 to 49.68 billion in FY2016. The Company abide to retain its market leadership among the private players and earn market share of 21.9% amidst private players in FY2016. The Company aimed on bettering its protection business and there was a 29.4% boost in sum assured for new business. Total gross premium accumulated by the Company grew 25.2% from 153.07 billion in FY2015 to 191.64 billion in FY2016. Our extended focuses on customer detainment happen to increase retail renewal premium by 25.3% from 95.71 billion in
FY2015 to 119.95 billion in FY2016. The 13th month persistency ratio also upgraded from 79.0% in FY2015 to 82.4% in FY2016. The Company’s asset under management as on March 31, 2016 is estimated at 1,039.39 billion. Total expenditure increased to 25.45 billion in FY2016 as compared to 22.58 billion in FY2015. However total expenses to total weighted accumulated premium (TWRP) ratio enhanced from 15.4% in FY2015 to 14.5% in FY2016. Profit after tax (PAT) for the Company positioned at 16.50 billion in FY2016 as to 16.34 billion in FY2015.

The Company recess its policy holder through 521 units in 456 locations at March 31, 2016. On March 31, 2016, the Company possessed 10,663 employees and 121,016 financial advisers to meet the needs of customers. The Company sells its product offerings through various distribution channels like agents, corporate agents, banks, brokers, proprietary sales force (PSF) and online channels.

**HDFC Standard Life Insurance Company:**

HDFC Standard Life Insurance Corporation India a company that provides and sells insurance part of the Medicare industry is a joint venture or a company between HDFC and Standard Life Plus which came into existence in the year 2000. HDFC Standard Life insurance is one of the well-known insurance companies in India. HDFC Standard Life is one of the topmost insurance supplier in India, which facilitates huge dimension of both individual and group assurance solutions that bring together various customer needs and wants like Security, Pension, Savings, Investment and Health. Customers have the added influence by adding alternative or additional benefits known as riders, at a very nominal value. As on July 31st, 2016, the above entity had 29 single and 8 types of products along with 8 optional riders catering to a wide network of consumers need and wants.
HDFC Life is benefited with a wide network of 398 offices in India and 9,000+ wholesaler touch-points and has completely owned subsidiary in Dubai to present a working reinsurance services and this association has a healthy base of Financial Consultants.

HDFC Standard Life Insurance Company Limited (‘HDFC Life’) holds 61.63% and is an affiliation between HDFC Ltd., India’s leading housing finance institution and Standard Life holds 35.00% of its equity in HDFC Life, a worldwide long term investment savings player.

**Bajaj Allianz Life Insurance Company:**

Bajaj Finserv Limited is a joint venture between the European financial services known as Allianz SE. The company has earned name as amongst preeminent brand in India. As compared to other entity in India Bajaj Allianz Life Insurance Company affront its customer’s needs and requirement by providing them a whale of products beginning from ULIP and Child Plan to Group and Health Insurance. The company supply a huge collection of custom-made products that fulfil every single demand of the customer by providing them with a transparent benefit. Started in the year 2001 this life insurance company present a one stop answer to the customers and support them in reaching their financial goals.

Bajaj Allianz is a joint undertaking between Bajaj Finserv Limited and Allianz SE. The two together relish a prominence of knowledge, security and strength. This joint deal between the companies includes world-wide know-how with local experience. Bajaj Allianz Life Insurance is a joint proposition between Bajaj Finserv Limited and Allianz SE, the combined entity have developed a reputation of expertise, stability and strength. This joint undertaking company combine universal expertise with provincial experience.

Allianz is globe’s biggest insurance company, the greatest financial services group and the biggest company according to a combined measure by Forbes magazine. Allianz total capital base - € 805.787 billion, Revenue - 122.3 billion. At Bajaj Allianz,
consumers delight is our guiding principle. Ensuring world class results by providing custom-made products with translucent benefits backed by the finest technology is our business principles. It has developed insurance resolutions that provide to every segment and demographic profiles. Presently, Bajaj Allianz has a robust product portfolio and backing to all kinds of customer demands from ULIPs to Child plans, from group insurance to health insurance.

The Company started its service in 2001 and at present has a pan-India presence with 722 branches

**Birla Sun Life Insurance Company:**

The above company is a combined undertaking between the Aditya Birla Group, a recognized Indian conglomerate and Sun Life Financial Inc., one of the popular international financial services organisations from Canada. With a 2.5 million of clientele base the Birla Sun Life Insurance is one of the preeminent insurance companies in India. Birla Sun Life Insurance came in to presence with the joint project between Aditya Birla Group and Sun Life Financial Inc. The company is recognized as an avant-garde of Unit Linked Life Insurance plans and has over 600 units spread over 500 cities across the country. An entire range of insurance services is submitted by Birla Sun Life Insurance. Medicare products such as protection plan, child plan, health and retirement solution, ULIP plan, made to order group product and life stage product to cater to complete satisfaction to the customers. With a claim liquidation ratio of 88.45 % the company essay the suitable solution for the customers.

The above entity is in existence for more than 10 years since the evolution of this sector and it is currently one of the superior enterprises within our country. It has a client base of over two million policy holders. The Company attempted an exhaustive span of product features consisting of various solutions for safety, children education, protection, health and wellness, retirement benefaction. It has a total wealth under management of Rs.26, 813 Crores and a vigorous total asset of approximately Rs.2, 200 Crores, as on 30th Jun, 2014.
1.6. Hypothesis:

- H01: There will be no significance difference in customer’s perceptions towards policies of public and private insurance company.

- H02: There will be no significance difference in the satisfaction level of the policy holder towards the services provided by the public and private insurance company.

- H03: Brand image has no significant impact on the selling of the insurance policy to the consumers.