The insurance industry in India has come a long way since the time when businesses were tightly regulated and concentrated in the hands of a few public sector insurers. Following the passage of the Insurance Regulatory and Development Authority Act in 1999, India abandoned public sector exclusivity in the insurance industry in favor of market-driven competition. This shift has brought about major changes to the industry.

The inauguration of a new era of insurance development has seen the entry of international insurers, the proliferation of innovative products and distribution channels, and the raising of supervisory standards.

There are good reasons to expect that the growth momentum can be sustained. In particular, there is huge untapped potential in various segments of the market. While the nation is heavily exposed to natural catastrophes, insurance to mitigate the negative financial consequences of these adverse events is underdeveloped. The same is true for both pension and health insurance, where insurers can play a critical role in bridging demand and supply gaps. Major changes in both national economic policies and insurance regulations will highlight the prospects of these segments going forward.

The better a business can manage the relationships it has with its customers the more successful it will become. Therefore IT systems that specifically address the problems of dealing with customers on a day-to-day basis are growing in popularity.

Customer relationship management (CRM) is not just the application of technology, but is a strategy to learn more about customers' needs and behaviors in order to develop stronger relationships with them. As such it is more of a business philosophy than a technical solution to assist in dealing with customers effectively and efficiently.
Nevertheless, successful CRM relies on the use of technology. The introduction of financial services is considered within the context of retailers’ relationships with their customers and retailers’ ability to build closer relationships with existing and potential customers. Today banks have moved way from a transactional based marketing effort to a relationship based approach that has at its core the recognition of the lifetime value of the customer. This also provides greater opportunity for cross-selling and up-selling to a customer who is loyal and committed to the firm and its offerings.

While the insurance sector is seeking to maintain a balance between acquiring customers and developing existing ones, customer acquisition is vital, as no retention strategy will entirely stem customer defection. That said, insurance companies are experiencing unacceptable levels of customer churn, thanks to which they are focusing on keeping the customers they already have in a bid to ensure a net growth in their customer base. Today, the focus is on selling more products to existing customers to improve profitability. Customer-focused strategies require CRM (customer relationship management) to help acquire customers thorough various touch points and translate operational data into actionable insights for proactively serving customers.

The growth in the number of published works (both academic and a managerial) in recent years is the testimony to the renewed interest in the CRM for Insurance Sector. The present study is an effort in this direction. It is hoped that the findings will provide a realistic insight into the dynamics of CRM in Insurance Sector in the Indian context.

This thesis is divided into seven chapters. Chapter one talks about CRM, its importance and role of it in insurance. It also defines the objectives of this research and identifies the back- ground and Problem of this study.

Chapter two gives Literature Review, literature on CRM and CRM in insurance industry.

Chapter three deals with the Research Methodology and states the objectives of research, research design, and the research instrument administered, the profile of the respondents, sampling procedure, stating of the hypothesis, method of analysis and limitations of the study.
Chapter four deals with Analysis and Results. It is an effort to establish difference between various CRM constructs. It attempts to provide the various factors that compare the CRM Practices for Public and Private Insurance firms.

Chapter five presents Discussions and Findings. The findings are presented in the form of sections dealing with CRM constructs that distinguish CRM practices for public and private Insurance firms.

Chapter six deals with Managerial Implications of the study. This Chapter gives useful implications of this study to practitioners.

Chapter seven gives Future Research Directions and Conclusions.