CHAPTER - III

A PROFILE OF THE COVERD COMPANIES

A. PUBLIC COMPANY:

L.I.C. (Life insurance Corporation)

B. PRIVATE COMPANIES:

ICICI Prudential Life insurance Co. Ltd.

SBI Life insurance company.

*Private companies is selected according to market share.

A. PUBLIC COMPANY LIFE INSURANCE CORPORATION (L.I.C.)

An Introduction:

The Oriental Life Insurance Company, the first corporate entity in India offering life insurance coverage, was established in Calcutta in 1818 by Bipin Behari Dasgupta and others. Europeans in India were its primary target market, and it charged Indians heftier premiums. The Bombay Mutual Life Assurance Society, formed in 1870, was the first native insurance provider. Other insurance companies established in the pre-independence era included

Bharat Insurance Company (1896)

United India (1906)

National Indian (1906)

National Insurance (1906)
Co-operative Assurance (1906)

Hindustan Co-operatives (1907)

Indian Mercantile

General Assurance

Swadeshi Life (later Bombay Life)" ¹

The first 150 years were marked mostly by turbulent economic conditions. It witnessed, India's First War of Independence, adverse effects of the World War I and World War II on the economy of India, and in between them the period of world wide economic crises triggered by the Great depression. The first half of the 20th century also saw a heightened struggle for India's independence. The aggregate effect of these events led to a high rate of bankruptcies and liquidation of life insurance companies in India. This had adversely affected the faith of the general public in the utility of obtaining life cover" ²

The Life Insurance Act and the Provident Fund Act were passed in 1912, providing the first regulatory mechanisms in the Life Insurance industry. The Indian Insurance Companies Act of 1928 authorized the government to obtain statistical information from companies operating in both life and non-life insurance areas. The subsequent Insurance Act of 1938 brought stricter state control over an industry that had seen several financially unsound ventures fail.

A bill was also introduced in the Legislative Assembly in 1944 to nationalize the insurance industry. The story of insurance is probably as old as the story of mankind. The same instinct that prompts modern businessmen today to secure themselves against loss and disaster existed in primitive men also. They too sought to avert the evil consequences
of fire and flood and loss of life and were willing to make some sort of sacrifice in order to achieve security. Though the concept of insurance is largely a development of the recent past, particularly after the industrial era – past few centuries – yet its beginnings date back almost 6000 years. Life Insurance in its modern form came to India from England in the year 1818. Oriental Life Insurance Company started by Europeans in Calcutta was the first life insurance company on Indian Soil. All the insurance companies established during that period were brought up with the purpose of looking after the needs of European community and Indian natives were not being insured by these companies. However, later with the efforts of eminent people like Babu Muttylal Seal, the foreign life insurance companies started insuring Indian lives. But Indian lives were being treated as sub-standard lives and heavy extra premiums were being charged on them. Bombay Mutual Life Assurance Society heralded the birth of first Indian life insurance company in the year 1870, and covered Indian lives at normal rates. Starting as Indian enterprise with highly patriotic motives, insurance companies came into existence to carry the message of insurance and social security through insurance to various sectors of society. Bharat Insurance Company (1896) was also one of such companies inspired by nationalism. The Swadeshi movement of 1905-1907 gave rise to more insurance companies. The United India in Madras, National Indian and National Insurance in Calcutta and the Co-operative Assurance at Lahore were established in 1906. In 1907, Hindustan Co-operative Insurance Company took its birth in one of the rooms of the Jorasanko, house of the great poet Rabindranath Tagore, in Calcutta. The Indian Mercantile, General Assurance and Swadeshi Life (later Bombay Life) were some of the companies established during the same period. Prior to 1912 India had no legislation to regulate insurance business. In the year 1912, the Life Insurance Companies Act, and the
Provident Fund Act were passed. The Life Insurance Companies Act, 1912 made it necessary that the premium rate tables and periodical valuations of companies should be certified by an actuary. But the Act discriminated between foreign and Indian companies on many accounts, putting the Indian companies at a disadvantage. The first two decades of the twentieth century saw lot of growth in insurance business. From 44 companies with total business-in-force as Rs.22.44 crore, it rose to 176 companies with total business-in-force as Rs.298 crore in 1938. During the mushrooming of insurance companies many financially unsound concerns were also floated which failed miserably. The Insurance Act 1938 was the first legislation governing not only life insurance but also non-life insurance to provide strict state control over insurance business. The demand for nationalization of life insurance industry was made repeatedly in the past but it gathered momentum in 1944 when a bill to amend the Life Insurance Act 1938 was introduced in the Legislative Assembly. However, it was much later on the 19th of January, 1956, that life insurance in India was nationalized. About 154 Indian insurance companies, 16 non-Indian companies and 75 provident were operating in India at the time of nationalization. Nationalization was accomplished in two stages; initially the management of the companies was taken over by means of an Ordinance, and later, the ownership too by means of a comprehensive bill. The Parliament of India passed the Life Insurance Corporation Act on the 19th of June 1956, and the Life Insurance Corporation of India was created on 1st September, 1956, with the objective of spreading life insurance much more widely and in particular to the rural areas with a view to reach all insurable persons in the country, providing them adequate financial cover at a reasonable cost. LIC had 5 zonal offices, 33 divisional offices and 212 branch offices, apart from its corporate office in the year 1956. Since life insurance contracts are long term contracts and during the currency of the
policy it requires a variety of services need was felt in the later years to expand the
operations and place a branch office at each district headquarter. Re-organization of LIC
took place and large numbers of new branch offices were opened. As a result of re-
organization servicing functions were transferred to the branches, and branches were
made accounting units. It worked wonders with the performance of the corporation. It
may be seen that from about 200.00 crores of New Business in 1957 the corporation
crossed 1000.00 crores only in the year 1969-70, and it took another 10 years for LIC to
cross 2000.00 crore mark of new business. But with re-organization happening in the
early eighties, by 1985-86 LIC had already crossed 7000.00 crore Sum Assured on new
policies. Today LIC functions with 2048 fully computerized branch offices, 109
divisional offices, 8 zonal offices, 992 satellite offices and the corporate office. LIC’s
Wide Area Network covers 109 divisional offices and connects all the branches through a
Metro Area Network. LIC has tied up with some Banks and Service providers to offer on-
line premium collection facility in selected cities. LIC’s ECS and ATM premium
payment facility is an addition to customer convenience. Apart from on-line Kiosks and
IVRS, Info Centers have been commissioned at Mumbai, Ahmadabad, Bangalore,
Chennai, Hyderabad, Kolkata, New Delhi, Pune and many other cities. With a vision of
providing easy access to its policyholders, LIC has launched its SATELLITE SAMPARK
offices. The satellite offices are smaller, leaner and closer to the customer. The digitalized
records of the satellite offices will facilitate anywhere servicing and many other
conveniences in the future. LIC continues to be the dominant life insurer even in the
liberalized scenario of Indian insurance and is moving fast on a new growth trajectory
surpassing its own past records.
LIC has issued over one crore policies during the current year. It has crossed the milestone of issuing 1,01,32,955 new policies by 15th Oct, 2005, posting a healthy growth rate of 16.67% over the corresponding period of the previous year. From then to now, LIC has crossed many milestones and has set unprecedented performance records in various aspects of life insurance business. The same motives which inspired our forefathers to bring insurance into existence in this country inspire us at LIC to take this message of protection to light the lamps of security in as many homes as possible and to help the people in providing security to their families\(^3\).

**Mission**

"Explore and enhance the quality of life of people through financial security by providing products and services of aspired attributes with competitive returns, and by rendering resources for economic development."

**Vision**

"A trans-nationally competitive financial conglomerate of significance to societies and Pride of India."

**Objectives of LIC of India**

Spread and provide life insurance to the masses at a reasonable cost. Spread Life Insurance widely and in particular to the rural areas and to the socially and economically backward classes with a view to reaching all insurable persons in the country and providing them adequate financial cover against death at a reasonable cost. Maximize mobilization of people's savings by making insurance-linked savings adequately attractive. Bear in mind, in the investment of funds, the primary obligation to its policyholders, whose money it holds in trust, without losing sight of the interest of the community as a whole; the funds to be deployed to the best advantage of the investors as
well as the community as a whole, keeping in view national priorities and obligations of attractive return. Conduct business with utmost economy and with the full realization that the moneys belong to the policyholders. Act as trustees of the insured public in their individual and collective capacities.  

Meet the various life insurance needs of the community that would arise in the changing social and economic environment. Involve all people working in the Corporation to the best of their capability in furthering the interests of the insured public by providing efficient service with courtesy. Promote amongst all agents and employees of the Corporation a sense of participation, pride and job satisfaction through discharge of their duties with dedication towards achievement of Corporate Objective.
ORGANIZATIONAL SET UP:

Fig. III . 1 Organizational set up
OPERATION:
We Operate All Over India

*Source: - www. LIC .com

MEMBER OF VARIOUS AGENT'S CLUB
### Table III.1 Employees strength

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<td>CORPOTATE</td>
<td>49</td>
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<td>CHAIRMAN</td>
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<td>18608</td>
<td>19585</td>
<td>21941</td>
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<td>ZONAL MANAGER</td>
<td>14839</td>
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<td>DIVISIONAL MANAGER</td>
<td>29932</td>
<td>27717</td>
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<td>BRANCH MANAGER</td>
<td>52540</td>
<td>57238</td>
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<td>DISTINGUISHE AGENT CLUB</td>
<td>37295</td>
<td>26094</td>
<td>37864</td>
<td>47634</td>
<td>49204</td>
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<td><strong>TOTAL</strong></td>
<td><strong>152878</strong></td>
<td><strong>144574</strong></td>
<td><strong>155609</strong></td>
<td><strong>174963</strong></td>
<td><strong>193133</strong></td>
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*Source: - www. LIC .com

### BUSINESS GROWTH

### Table III.2 Business at a Glance

* (Rs. in cores)
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<td><strong>INDIVIDUAL ASSURANCE</strong></td>
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<tr>
<td>First year premium</td>
<td>12805.56</td>
<td>11720.38</td>
<td>9540.94</td>
<td>13791.81</td>
<td>18933.96</td>
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<tr>
<td>% increase over previous year</td>
<td>18.80%</td>
<td>-8.47%</td>
<td>-18.60%</td>
<td>44.55%</td>
<td>37.28%</td>
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<td>Renewal premium</td>
<td>56915.71</td>
<td>65735.40</td>
<td>72944.71</td>
<td>77577.13</td>
<td>85375.72</td>
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<td>Single premium &amp; consideration for annuities granted</td>
<td>1340.90</td>
<td>945.95</td>
<td>264.89</td>
<td>11336.47</td>
<td>2510</td>
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<td><strong>INDIVIDUAL PENSION SCHEMES</strong></td>
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<tr>
<td>First year premium</td>
<td>36.95</td>
<td>18.91</td>
<td>15.34</td>
<td>22.25</td>
<td>34.52</td>
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<td>Renewal premium</td>
<td>1484.27</td>
<td>1451.27</td>
<td>1364.50</td>
<td>1321.94</td>
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<td>consideration for annuities granted</td>
<td>173.93</td>
<td>150.47</td>
<td>123.95</td>
<td>205.82</td>
<td>922.39</td>
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<td><strong>GROUP SCHEMES</strong></td>
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<td>Group insurance premium</td>
<td>4669.76</td>
<td>11462.91</td>
<td>12088.24</td>
<td>9984.84</td>
<td>19174.44</td>
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<td>Group superannuation premium</td>
<td>2946.11</td>
<td>4051.36</td>
<td>6019.01</td>
<td>8253.81</td>
<td>10576.97</td>
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<td><strong>LINKED BUSINESS PREMIUM</strong></td>
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<tr>
<td>PREMIUM</td>
<td>10386.01</td>
<td>32245.61</td>
<td>47344.31</td>
<td>34692.48</td>
<td>47252.55</td>
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<tr>
<td><strong>TOTAL PREMIUM</strong></td>
<td>90759.20</td>
<td>127782.26</td>
<td>149705.59</td>
<td>157186.55</td>
<td>185985.91</td>
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<tr>
<td>INCOME</td>
<td>% increase over previous year</td>
<td>20.88%</td>
<td>40.79%</td>
<td>17.16%</td>
<td>5.00%</td>
</tr>
<tr>
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</tr>
<tr>
<td>Income from investment</td>
<td>35478.64</td>
<td>40572.40</td>
<td>47998.79</td>
<td>56582.79</td>
<td>67197.89</td>
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<tr>
<td>Miscellaneous</td>
<td>5909.04</td>
<td>7172.42</td>
<td>9731.48</td>
<td>3505.02</td>
<td>8589.22</td>
</tr>
<tr>
<td><strong>TOTAL INCOME</strong></td>
<td><strong>132146.88</strong></td>
<td><strong>175527.08</strong></td>
<td><strong>207435.86</strong></td>
<td><strong>217274.36</strong></td>
<td><strong>261773.02</strong></td>
</tr>
<tr>
<td>Variation due to change in fair value of linked business (unit fund)</td>
<td>_</td>
<td>_</td>
<td>-1072.88</td>
<td>-16993.71</td>
<td>36948.53</td>
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<tr>
<td><strong>NET TOTAL INCOME</strong></td>
<td><strong>132146.88</strong></td>
<td><strong>175527.08</strong></td>
<td><strong>206362.98</strong></td>
<td><strong>200280.65</strong></td>
<td><strong>298721.55</strong></td>
</tr>
</tbody>
</table>

*Source: - www. IRDA annual report.com
STUDY OF PROMOTIONAL MARKETING STRATEGY:

The LIC of India, being old brand and Govt. owned insurer in the market its market share is large as compared to private players. But consumer’s perception of the insurance is that of an investment rather than as a risk cover. They expect prompt services. The LIC of India has been facing competition pressure, so it has been reorganizing itself in order to perform better and to competitive private players. LIC has been formulating new strategies and plans from time to time. No doubt, experience generally improves performance; the LIC has experience of more than fifty years. Even IRDA also aims at innovative and progressive development of insurance sector. LIC has been taken following steps to increase its market competitiveness and retains its dominant position in the insurance market.

PRODUCT DEVELOPMENT

Life Insurance Corporation introduced traditional insurance schemes. To cater consumer’s needs about protection against risk factor, provision for future, old age provision, by launching whole life plans, Endowment plans, Term insurance plans and pensions plans over a period. Every year by taking market review it introduces new innovative plans and also withdraws those plans which have less market response. Now, LIC of India has been changed its products to meet the varied need of the customers. It has been caused due to following reasons.

a. Competitive pressure

b. Changing behavior of consumer.
In the competitive market there is a greater need to provide insurance products that meet the needs of the customers. Therefore, LIC offers wide variety of products which fulfills the needs of different segments of the society. As at the end of financial years 2009-10 the Corporation had 52 plans available for sale. During the year corporation had introduced 6 new plans viz Money plus-1, Market plus-1, Jeevan Bharti-1, Child Fortune plus and two term insurance plans i.e. Jeevan Astha and Jeevan varsha. Health insurance plans:

**Health insurance plans** LIC has observed that there is a top potential for the health insurances business. So in the year 2007-08 it had started one Health Insurance Department and the first product Health Plus was launched on 4 February, 2008. People also welcomed it. During the year 2008-09, 97357 Health Insurance Policies were sold for a premium income of Rs. 91.39 crores

**Marketing Activities** in marketing of insurance products effectively, field personnel play pivotal role. The corporation has been developed alternative distribution channels along with channels to increase its business volume.

**I. Agents**

In LIC of India, the Agent is a pioneer field force, in procurement of the LIC’s business. In the year 2009-10 total number of agents was 13, 44,856. The corporation has launched scheme of Urban Career Agents and Rural Career Agents. To promote them the corporation also gives stipends at the start of their career and to enable them to settle down the profession. As on 31-03-2008 there were 17,684 urban career agents and 22,324 rural career agent

**MICRO INSURANCE PLAN**
The LIC of India, not only concentrates on celebrity marketing and rich class segment but also launched insurance plan under a separate business vertical to extend security to the less privileged section of the society under business vertical ‘Jeevan Madhur’ plan was launched in Sept. 2006 by the LIC. The table No. 1 shows that within 2.5 years it has provided 4.3 cover the approx 2.5 million lives.

**Banca Assurance and Alternate channels** LIC also tied up with the banks in urban and with Regional Rural Banks (RRB) to spread its business. The percentage share of Alternate channel business to total business went up from 2.01% to 2.40% in policies and from 1.84% to 3.05% in first premium income. Out of total business of alternate channels, banks (under corporate agency mode) contributed 67.29% of number of policies and 63.70%. The table No. 2 shows New Business (Individual Insurance) procured by the different marketing channel.

**Foreign Branches** the corporation directly operates through its branch offices in Mauritius at Port Louis, Fiji at Surva and Lautoka and United Kingdom at werobley. During the year 2007-08 these three foreign branches together issued 10,477 policies with sum assured of US $ 97.7 million at FPI of US million.

**Conclusion** at present, it is needful to take review for what insurance has to be taken. It should be for the benefit of policyholder i.e. common man not only rich class segment. The insurance company should not be a race winner, in the competitive ground. It aims at diverting public saving towards socio welfare and infrastructural development. Obliviously, LIC of India aims at dual objectives i.e. protection of policyholders trust and contribution in economic development. The Insurance Act 1938, the Life Insurance Act
1956 and IRDA Act 2000 guide with this regard by making rules and regulations. The Life Insurance Corporation is the public sector insurance company and highly obligatory towards these objectives. The private insurer ought to follow these rules and regulation, for their survival in land

**INSURANCE PLAN :**

**CHILDREN PLANS**
- Jeevan Anurag
- Jeevan Kishore
- Child Career Plan
- Komal Jeevan
- Child Future Plan
- Marriage Endowment
- Child Fortune Plus
- Educational Annuity Plan

**PLAN FOR HANDICAPPED DEPENDENTS**
- Jeevan Aadhar
- Jeevan Vishwas

**ENDOWMENT ASSURANCE PLANS**
- The Endowment Assurance Policy
- The Endowment Assurance Policy-Limited Payment
- Jeevan Mitra (Double Cover Endowment Plan)
- Jeevan Mitra (Triple Cover Endowment Plan)
- Jeevan Anand
- New Janaraksha Plan
- Jeevan Amrit

**PLAN FOR HIGH WORTH INDIVIDUALS**
- Jeevan Shree-I
- Jeevan Pramukh

**MONEY BACK PLANS**
- The Money Back Policy-20 Years
- Jeevan Surabhi-25 Years
- The Money Back Policy-25 Years
- Jeevan Surabhi-20 Years
- Jeevan Surabhi-15 Years
- Bima Bachat

**SPECIAL MONEY BACK PLANS FOR WOMEN**
WHOLE LIFE PLANS
The Whole Life Policy
The Whole Life Policy- Limited Payment
The Whole Life Policy- Single Premium
Jeevan Anand
Jeevan Tarang 10

JOINT LIFE PLANS
Jeevan Saathi Plus
Jeevan Saathi
B. PRIVATE COMPANIES

B.1. ICICI Prudential Life insurance Co. Ltd.

B.2. SBI Life insurance company.

B. 1. ICICI Prudential Life insurance Co. Ltd

An Introduction

The Company was founded on 30 May 1848 in Hatton Garden in London as The Prudential Mutual Assurance Investment and Loan Association providing loans to professional and working people. In 1854 the Company began selling the relatively new concept of industrial branch insurance policies to the working class population for premiums as low as one penny through agents acting as door to door salesmen. The army of premium collection agents was for many years identified with the Prudential as the "Man from the Pru". It moved to its traditional home at Holborn Bars in 1879[3] and converted to a limited company in 1881.[3] The building was designed by Alfred Waterhouse, and is built of terracotta manufactured by Gibbs and Canning Limited of Tamworth (c.1878)—two of the same driving forces behind the Natural History Museum in London. The Company was first listed on the London Stock Exchange in 1924. In 1997 the Company acquired Scottish Amicable, a business originally founded in 1826 in Glasgow as the West of Scotland Life Insurance Company, for $1.75bn. Holborn Bars—Traditional home of Prudential" 11
In 1998 Prudential set up Egg, an internet bank within the UK. The subsidiary reached 550,000 customers within nine months but had difficulty achieving profitability.[5] In June 2000 an initial public offering of 21% was made to allow for further growth of the internet business but in February 2006 Prudential decided to repurchase the 21% share of Egg. Egg was subsequently sold to Citibank in January 2007. In 1999, M&G, a UK fund management company, was acquired. In June 2000 the Company was first listed on the New York Stock Exchange to help focus on the US market. In October 2004 Prudential launched a new subsidiary, Pru Health, a joint venture with Discovery Holdings of South Africa selling Private Medical Insurance to the UK market.  

In April 2008 Prudential outsourced its back office functions to Capita: about 3,000 jobs were transferred (1,000 in Stirling, 750 in Reading and 1,250 in Mumbai).[11] This significant outsourcing deal worth an estimated £40m for an initial three year period built on Prudential's existing relationship with Capita who took over its Belfast operation in 2006 along with approximately 450 employees in a smaller operational restructure. 

On 7 April 2009, it was announced that Prudential was in talks with Manchester United regarding becoming the English football giant's shirt sponsor in 2010.[13] However, on 3 June 2009, Manchester United announced that it had signed a four year shirt sponsorship deal with American insurance giant, Aon Corporation.
The deal is said to be worth £80 million over four years, replacing United's deal with American International Group (AIG) as the most lucrative shirt deal in history. In 2010, Aon will replace troubled American insurance company AIG, which is restructuring itself having received a $150 billion (£109 billion) bail-out from the U.S. government" 14

On 1 March 2010, Prudential announced that it was in "advanced talks" to purchase the pan-Asian life insurance company of AIG, American International Assurance (AIA) for approximately $35.5 billion.

OPERATIONS

Prudential's Administrative Centre In Reading

The Company has four business units: Prudential UK: the business offers pensions, annuities, savings and investments (bonds, ISAs). They are particularly well-known for the sale of with-profit bonds and pensions, corporate pension schemes, bulk annuities and individual annuities. The company left the general insurance (household, car) market in 2002, licensing Churchill Insurance (now part of the Royal Bank of Scotland group) to use the Prudential name.

M&G: the business offers investment management services including retail fund management, institutional fixed income, pooled life, pension funds, property and private finance. Part of M&G, Prudential Property Investment Managers specializes in the management of Prudential's property assets.
Prudential Corporation Asia: the business is the largest UK life assurer in Asia. It has had a presence in the continent since 1923 when an overseas agency for life assurance was created in India. Although this was subsequently nationalized, Prudential has recently re-launched in India as ICICI Prudential, a 26% joint venture with ICICI Bank. As CITIC Prudential Life, a 50–50 joint venture, they were the first UK Company to re-establish life business in China in 2000. There are also businesses in Hong Kong, Taiwan, Japan, South Korea, Singapore, Malaysia, Philippines, Thailand, Vietnam and Indonesia.

Jackson National Life: the business was purchased in 1986. It was named after Andrew Jackson, the seventh President of the United States of America and started business in 1961 at Jackson, Michigan.

**Prudential Assurance and Prudential Financial**

There is no ownership link between prudential plc and Prudential of America, the business founded by John Fairfield Dryden. ICICI Prudential is a joint venture between ICICI Bank and Prudential plc engaged in the business of life insurance in India. ICICI Prudential is the largest private insurance company and second largest insurance in India after LIC. ICICI Prudential Life Insurance Company is a joint venture between ICICI Bank, a premier financial powerhouse, and prudential plc, a leading international financial services group headquartered in the United Kingdom. ICICI Prudential was amongst the first private sector insurance companies to begin operations in December 2000 after receiving approval from Insurance Regulatory Development Authority (IRDA). ICICI Prudential Life's capital stands at Rs. 37.72 billion (as on March, 2008) with ICICI Bank and Prudential plc holding 74% and 26% stake respectively. For the year ended March 31, 2008, the company garnered Retail New Business Weighted
premium of Rs. 6,684 crores, registering a growth of 68% over the last year and has underwritten nearly 3 million retail policies during the period.

The company has assets held over Rs. 30,000 crore as on April 30, 2008. ICICI Prudential Life is also the only private life insurer in India to receive a National Insurer Financial Strength rating of AAA (Ind) from Fitch ratings. The AAA (Ind) rating is the highest rating, and is a clear assurance of ICICI Prudential's ability to meet its obligations to customers at the time of maturity or claims. For the past seven years, ICICI Prudential Life has retained its leadership position in the life insurance industry with a wide range of flexible products that meet the needs of the Indian customer at every step in life.”

Since the liberalization of Indian Insurance sector, ICICI Prudential Life Insurance has been one of the earliest private players. Since the time, ICICI Pru Life has been the leader in terms of market share as indicated by the IRDA (Insurance Regulatory and Development Authority, the regulator for Indian Insurance Industry) at its website.

Arguably the most innovative Indian Life insurer in terms of customer services and products, ICICI Prudential has one of the largest distribution and servicing network with over 2,000 proprietary offices & customer touch points across India. The 30,000 employee strong organization has one of the largest agency distributions in the industry. With a growing product range to match the complex needs of the demanding customers in a growing economy, the organization also has a history of successful.
During 2007-08, the organization's focus on rural business has proved its complex project execution capability and strong partnerships for customer servicing.

In June, 2009 ICICI Prudential Life Insurance has decided to snap its tie up with TTK Healthcare to settle insurance claims of its users.[1]

**ORGANIZATIONAL SET-UP**

**Board of Directors**

The ICICI Prudential Life Insurance Company Limited Board comprises reputed people from the finance industry both from India and abroad” 16

![Organizational Set Up Diagram]

**Fig. 3 – 2 Organizational Set Up**

**Management Team**

The ICICI Prudential Life Insurance Company Limited Management team comprises reputed people from the finance industry both from India and abroad.

Mr.V.Vaidyanathan, Managing Director & CEO
Dr. Avijit Chatterjee, Appointed Actuary

Mr. Puneet Nanda, Executive Vice President

Overview

ICICI Prudential Life Insurance Company is a joint venture between ICICI Bank - one of India's foremost financial services companies-and prudential plc - a leading international financial services group headquartered in the United Kingdom. Total capital infusion stands at Rs. 47.80 billion, with ICICI Bank holding a stake of 74% and Prudential plc holding 26%.

We began our operations in December 2000 after receiving approval from Insurance Regulatory Development Authority (IRDA). Today, our nation-wide reach includes 1,960 branches (inclusive of 1,096 micro-offices), over 237,000 advisors; and 6 banc assurance partners.

For three years in a row, ICICI Prudential has been voted as India's Most Trusted Private Life Insurer, by The Economic Times - AC Nielsen ORG Marg survey of 'Most Trusted Brands'. As we grow our distribution, product range and customer base, we continue to tirelessly uphold our commitment to deliver world-class financial solutions to customers all over India.

Our vision: To be the dominant Life, Health and Pensions player built on trust by world-class people and service.

Our values: Every member of the ICICI Prudential team is committed to 5 core values: Integrity, Customer First, Boundaryless, Ownership, and Passion. These values shine forth in all we do, and have become the keystones of our success.
<table>
<thead>
<tr>
<th>PARTICULAR</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
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<tr>
<td><strong>SOURCE OF FUNDS SHAREHOLDERS’ FUNDS</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Share capital</td>
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<td>13123015</td>
<td>14011137</td>
<td>14272573</td>
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<tr>
<td>Share application money</td>
<td>-</td>
<td>-</td>
<td>1104</td>
<td>2282</td>
<td>1067</td>
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<td>Employees stock option outstanding</td>
<td>52363</td>
<td>19399</td>
<td>19161</td>
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<tr>
<td>Reserve&amp; surplus</td>
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<td>7693813</td>
<td>23713076</td>
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<td>33588365</td>
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<td>Credit (debit) fair value change account-net</td>
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<td><strong>47811074</strong></td>
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<td><strong>BORROWINGS POLICY HOLDERS’ FUNDS</strong></td>
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<tr>
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<td>Policy liabilities</td>
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<td>Insurance reserve</td>
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<td>Provision for linked liabilities</td>
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<td><strong>270205582</strong></td>
<td><strong>311065472</strong></td>
<td><strong>542816606</strong></td>
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Fixed Income

In the month of March, the government securities market traded on a bearish note over the initial part of the fortnight amidst apprehensions regarding data releases such as

<table>
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<tr>
<th>FUNDS FOR FUTURE APPROPRIATION</th>
<th>134432</th>
<th>-</th>
<th>-</th>
<th>-</th>
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<tbody>
<tr>
<td>Linked</td>
<td>792166</td>
<td>1760437</td>
<td>4093352</td>
<td>5590611</td>
<td>10931565</td>
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<tr>
<td>Others (non linked)</td>
<td>342266</td>
<td>388085</td>
<td>1285155</td>
<td>1582726</td>
<td>1392600</td>
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<tr>
<td>TOTAL</td>
<td>95684854</td>
<td>172926009</td>
<td>313338386</td>
<td>366049883</td>
<td>603002925</td>
</tr>
</tbody>
</table>

*Source: - www. IRDA annual report.com

PROFIT & LOSS ACCOUNTS

Table III, 4 Profit & Loss a/c

* (Rs 000)

<table>
<thead>
<tr>
<th>PARTICULAR</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>INCOME (P&amp;L a/c)</td>
<td>2312527</td>
<td>7594594</td>
<td>16075127</td>
<td>9494160</td>
<td>78309000</td>
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<td>PROFIT &amp; LOSS BEFORE TAX</td>
<td>2033293</td>
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<td>15431397</td>
<td>8806996</td>
<td>2805295</td>
</tr>
<tr>
<td>PROVISION FOR TAXATION</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Deferred tax</td>
<td>154500</td>
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<td>1480770</td>
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<td>225610</td>
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<tr>
<td>PROFIT &amp; LOSS AFTER TAX</td>
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<td>6489072</td>
<td>13950627</td>
<td>7796996</td>
<td>2579685</td>
</tr>
</tbody>
</table>

*Source: - www. IRDA annual report.com
the Index for Industrial Production (IIP) and Wholesale Price Index (WPI). The reading on IIP showed strength with January number at 16.70% and the WPI inflation for February was noted at 9.89% which was higher than market expectations. The market saw some respite during the end of the month after the government announced the borrowing calendar for the fiscal year 2010-11.

The government announced a borrowing number of Rs. 2, 87,000 core for the first half of 2010-11 which was below the market expectation of Rs. 3, 00,000 core. The market reacted positively to the news and bonds rallied across the curve with the benchmark 10 year security closing at a yield of 7.83% as on 31 March 2010. Corporate bond yields moved in tandem with the government bond yields. The Indian Rupee appreciated to 44.92 against the dollar as on 31 March 2010.

Outlook

We believe that even though the borrowing calendar has surprised the market positively, the absolute amount of borrowing remains large. The supply of bonds over the course of the year will likely outpace demand thereby weighing on the yields. Moreover the rising inflation, expected rate hikes by RBI and rising private sector credit demand will put further pressure on the yields. We expect the benchmark 10 year bond to rise to 8.25% in the first half of the fiscal year 2010-11. We expect the inflation to touch double digit figures by May 2010 and the Indian rupee to continue to appreciate against the US dollar in coming months.

Equity

The Indian equity market gained 6% on the back of very strong FII inflows and buoyancy in equity markets globally. The economic data in India that came out during the month continued to point to improvement in the pace of activity. Exports growth in the
month of February was 35% yoy and the Industrial Production growth for the month of January was reported at 16.7%. However, inflation for the month of February touched 9.89%, this led to the RBI making in surprise inter-policy move. The Indian Central Bank raised the repo and reverse repo rates by 25bps each, to 5% and 3.5% respectively.

STUDY OF PROMOTIONAL MARKETING STRATEGY

Recommendation about promotional strategies

The suggestions have been classified into two categories.

- Action oriented suggestions
- people oriented suggestions
Action oriented Suggestions

An intense AIDA model needs to be adopted the AIDA model (Awareness, Internet, Desire, and Action). Customers are aware of majority products of ICICI prudential Life Insurance Co. Ltd.

To create the awareness regarding Product.

- Print & Electronic Media Advertisement should be done (As we can see intense ad campaign of HDFC Standard Life and Bajaj Allianz.)
- After the initial promotional campaign the relative advantage of ICICI Prudential Life Insurance Co. Ltd. Over its competitor should be highlighted.
- Hoardings at prime areas should be used" 17

People Oriented Suggestion

Creating offers like lucky draws for the users of Internet.

Giving free gifts for the customer

Special Recommendation

The insurance sector has largely stuck to images of happy families, carefree couples and cute babies. We have to use a different route to break the clutter, and humor and endorsement of celebrities is some of the routes available to us."ICICI Prudential should come in front for development of rural sector, by way of establishing a school, by digging a well in villages. May be it seems like a fool’s suggestion but it is one of the way to gain trust in rural sector. We can also use to advertise us busing the way of “HALLA BOL”. If we adopt this technique then I am sure that this will be most creative and cheaper advertisement all over the world. And by this way ICICI Prudential can again list their name in top advertiser.
Media strategy of ICICI Prudential Life Insurance Co. Ltd.

It was time when the marketing team was thinking about an advertising campaign, almost everyone, including the company's board, pooh-poohed the idea. At that time people thought Company is wasting money. But ICICI discarded this "fear" typically used for hawking insurance, choosing instead a "happy" platform to convey a more positive message. Even today after it has rolled out so many campaigns, ICICI remains among the top advertisers: ad spends, as a percentage of new business premium, range between 0.5 percent and 0.75 per cent. Lowe (Lint as) has been the creative advertising agency for ICICI Prudential Life since the beginning.

The TA

Representing an ideal mix of medium to high net worth individuals: The consumers most disposed towards buying life insurance. Middle-aged professionals, primarily male, salaried and self employed, age group: 28 - 45 years, household income: Rs.20, 000 and above.

Creative Strategy

The essence of the creative strategy: To get the consumer to re look at Insurance as means to lead a worry free life and not as a necessary evil. When ICICI Prudential Life Insurance first began operations, the task was to present the visiting card of the company to the public at large and build credibility and stature and to give the consumer the confidence that 'here was a company that could be trusted to invest funds with'. This required a corporate campaign, which started with advertising to establish the brand, build awareness and give the brand a larger than life image. To this effect the core brand insight
highlighted was "As head of the family it's my responsibility to take care of my loved one
sand protect them from the uncertainties of life", summed up in the advertising idea:

‘We cover you at every step in life (Suraksha… Zindagi ke har kadam par).
ICICI Pru was positioned as an enabler of protection relevant to the needs of the life stage
that you are in. Over the last few months, ICICI Prudential has been advertising in
outdoor, TV and press. The company launched a corporate television campaign – Saat
Phere – which took the emotions and thoughts of initial Sin door corporate film a few
steps further. The film highlights the strength of promises that a husband makes to his
wife, through the depiction of everyday situations, and then goes on to emphasize that
ICICI Prudential will stand by the husband to help him fulfill all these promises. The TV
campaign has also been extended to outdoor. The company has also undertaken press and
internet campaigns to inform customers about benefits of some of its products,
particularly retirement solutions, through the Chintamani campaign. Once the corporate
image and brand identity were established, and as the company expanded and its product
range grew, the next phase of communication was to give the consumer a rational and
tangible reason to buy - first of all insurance and secondly from ICICI Prudential Life.
This was tackled through product-specific advertising, such as for ICICI Pru Smart Kid,
retirement solutions or Lifetime.

The Creative execution

TVC: Building image and creating a differential in the most creative and
compelling manner. The creative execution heightened the emotional connect with the
ICICI Pru brand- Indian; satisfaction of knowing that one’s loved ones are protected.
Symbolic representation of the protector of the family through situations showcasing
various life stages and creating endearing imagery of protection and familial bonding.
Press

Gave the consumer a rational and tangible reason to buy insurance first and secondly from ICICI Prudential. The product specific advertising focused on changing the prevalent perception about insurance and breaking a few myths: non-affordability, insurance not being good investment option and the myth that insurance was good only for tax saving. After the hugely successful Chintamani (retirement) and Saat Phere (corporate) campaigns, ICICI Prudential Life Insurance also introduced some innovations in the category, such as: having a tax planner by the name of Chintamani on radio, who would answer consumer’s queries about the role of insurance in financial planning.

Other Communications

Other programs included direct mail, PR of communications campaign in press & TV, website marketing; and database generation through Bancassurance channels. Other initiatives included tie-up with the Dabbawalla Organization in Mumbai for a direct marketing exercise, to talk to the customer through a non-cluttered route, and there by have a higher impact. The direct mailer was about ICICI Prudential’s retirement solution sand the tax benefits that one can avail of buy investing in any of these. About 100,000 direct mailers were attached to the ‘dabbas’, in areas such as Churchgate, Bandra and Andheri where there are mostly office-goers. ICICI Prudential Life Insurance has also announced a strategic distribution tie-up with Hariyali Kisaan Bazaar, the rural business arm of DCM Shri ram Consolidated Ltd (DSCL). As a partner, Hariyali Kisaan Bazaar can now distribute ICICI Prudential's protection, wealth creation, retirement solutions and health insurance products to customers across the its growing number of rural business hubs in the country. In addition to advertising, the company has also initiated several activities to raise consumer awareness about life insurance and ICICI
Prudential. “It includes seminars – ICICI Prudential regularly holds consumer awareness meets on ‘the need for retirement planning’ in different cities such as Pune, Aurangabad, Coimbatore, Nagpur, Bangalore and Mangalore. These are very well attended and have contributed significantly towards increasing awareness about the category and the company. Apart from this, company also entered into alliances with telecom companies, as well as companies like BPCL and Dominos

**INSURANCE PLAN**

**Education Insurance Plans**

Smart Kid New Unit-linked Regular Premium
Smart Kid New Unit-linked Single Premium
Smart Kid Regular Premium" 18

**Wealth Creation Plans**

Wealth Advantage Life Time Gold
Life Stage Assure Life Link Super
Life Stage RP" 19

**Premium Guarantee Plans**

Invest Shield Life New
Invest Shield Cash Bank" 20

**Protection Plans**

Pure Protect Cash Back
Life Guard Home Assure
Save ‘n’ Protect

**Retirement Solutions**

Life Stage Pension
Life Time Super Pension

Life Link Super Pension”

B.2. SBI Life insurance company.

An Introduction

SBI Life Insurance is a joint venture between State Bank of India and BNP Paribas Assurance SBI owns 74% of the total capital and BNP Paribas Assurance the remaining 26%. SBI Life Insurance has an authorized capital of Rs. 2,000 cores and a paid up capital of Rs 1,000 cores. State Bank of India enjoys the largest banking franchise in India”

Along with its 6 Associate Banks, State Bank Group has the unrivalled strength of over 16,000 branches across the country, arguably the largest in the world. BNP Paribas is the 1st largest French company and ranks 5th in the banking industry worldwide. It is 6th most valuable international banking brand as per Brand Finance 2008”

BNP Paribas Assurance is the insurance arm of BNP Paribas - Euro Zone’s leading Bank. BNP Paribas, part of the worlds top 10 groups of banks by market value and part of Europe top 3 banking companies, is one of the oldest foreign banks with a presence in India dating back to 1860. BNP Paribas Assurance is the fourth largest life insurance company in France, and a worldwide leader in Creditor insurance products.

SBI Life Insurance’s mission is to emerge as the leading company offering a comprehensive range of Life Insurance and pension products at competitive prices, ensuring high standards of customer service and world class operating efficiency.
SBI Life has a unique multi-distribution model encompassing vibrant Banc assurance, Retail Agency, Institutional Alliances and Corporate Solutions distribution channels.

SBI Life extensively leverages the State Bank Group relationship as a platform for cross-selling insurance products along with its numerous banking product packages such as housing loans and personal loans. SBI’s access to over 100 million accounts across the country provides a vibrant base for insurance penetration across every region and economic strata in the country, thus ensuring true financial inclusion. Agency Channel, comprising of the most productive force of over 65,000 Insurance Advisors, offers door to door insurance solutions to customers.

**SBI Life: Closer to the customer**

SBI Life implemented a system to conduct transactions over the Internet and make relevant information accessible to employees, business partners and customers while driving profits at the same time. SBI Life Insurance is a joint venture between the State Bank of India and Cardif SA of France. To start with, the company wanted to have a multi-distribution approach and get sales through the banks, the traditional agency force, and a Banc assurance distribution platform. SBI Life was also planning to equip the bank branches to sell insurance and increase IT usage. Says G Murali, Senior VP & IT Head, SBI Life, “Leveraging the strategic role of technology is core to the operations of every life insurer from lead generation to policy servicing to claims handling. The key IT drivers for a life insurance company are new product developments, new distribution channels, new regulatory requirements and typical issues ranging from sales tracking to customer services.” Cross-selling is a viable option, but reaching the customer cost-effectively is more important. Companies need to create synergies through shared
databases, and selectively mine the customer databases and a very strong 24x7 technology backbone. Life insurance companies also need to manage the cost and complexity of multiple channels while switching the least profitable clients to automatic channels for low-value-added transactions. SBI Life approaches corporate and self-help groups to address the insurance cover needs of these specific groups through its highly customer-focused group insurance initiatives. The requirement is to infuse insight into the sales and service divisions, and transform data into leads. Moreover, consumers are developing and becoming more demanding, and SBI Life intends to be available wherever and whenever the customer needs it.”

SBI Life wanted a single IT architecture enabling multiple portals enterprise-wide. The objective was to allow for single sign-on for all applications and secure authorization based on a unified user profile. SBI Life required personalized experience for leveraging the rules engine and entitlements, and secure access to content, applications and Web services. Today, they transact over the Internet and make relevant information easily accessible to employees, business partners and customers, while driving profits in the process. SBI Life used an inside-out approach of implementation. They have a common enterprise-wide application interface, and their basic business transactions are on the browser, leading to lesser training and overall cost.

“Unlike many of the newer industry players who have different systems for each line of business, at SBI Life the core is a system across all lines of business which enables us to track the complete relationship with each customer,” says Murali.

**Implementation in a nutshell**

**Company:** SBI Life Insurance
Project completed: August 2004

Aim of the implementation:

Implementing an IT system in SBI Life that takes into account cross-selling, and improves the relationship with the customer

Major Benefits

- An infrastructure that can support broad information integration for the enterprise portal, relational databases, business intelligence, and enterprise content management applications
- Unified portal creation and administration across the enterprise
- A Web services-based service oriented architecture that delivers Web services and the ability to unlock existing assets as re-usable Web services Projects that were previously shelved due to high integration costs can now come off the shelf and show immediate ROI

Products and Technologies Used

- Onlinesbilife.com is implemented on BEA Web logic Platform 8.1 with Oracle 9.1 as a backend
- Tuxedo acts as a middleware to integrate the Web-based application with the Indigo engine
- The core insurance engine is Indigo; the entire business logic from processing the proposal to policy issuance and policy servicing resides in Indigo
- Behavior tracking of user, group and profile management based on LDAP, RDBMS, legacy or a combination
- Rules management for segmentation, content selection and entitlement at the portlet or page level
- Web flow and pipeline MVC architecture
- Support for CSS-based skins and multi-channel portals
- Broadband Internet connectivity to a central server from all over the country
- Security is addressed with Nortel/Alton switch and Checkpoint network security software
- Strategy, architecture, design and implementation was done by SBI Life’s IT team
- e-business infrastructure software was undertaken by BEA Systems
- Software design and development was done by Satyam

**Business Benefits**

- This project has helped SBI Life in tapping new markets, reducing IT maintenance costs, simplifying channel management, and enhancing customer experience. Operationally, it has tightly integrated applications, bringing together enterprise applications, digitised content, Web sites, e-mail, workflow integration and extensive search capabilities, besides reducing cost and time-to-market.
- SBI Life is pleased with this IT initiative, and is planning to open services to partners from its portal. It is also moving to rolling out departmental business portals addressing its specific needs, integration with mobility devices using WAP, SMS etc., integration with new Open Source tools, and provisioning to allow compliance with new regulatory requirements such as ACCORD’25
Concludes Murali, “In technology they are planning to have service level agreement monitoring and management, end-to-end auditing, policy-based management, and distributed fault management and alerting.”
Key Features:

Capital Guarantee on Fund under Management

Unique Pooling Fund Advantage Get higher returns based on aggregated value of all your non-Linked funds

Additional Funding up to 3% to absorb exit penalty charged by the previous insurer

No Suicide Exclusion clause for basic life cover

Additional benefit for your employee through our SBI Life - Group Accidental Death and Permanent Disability Rider.

Overview

SBI Life Insurance is a joint venture between State Bank of India and BNP Paribas Assurance. SBI owns 74% of the total capital and BNP Paribas Assurance the remaining 26%. SBI Life Insurance has an authorized capital of Rs. 2,000 cores and a paid up capital of Rs 1,000 cores.

Parentage

State Bank of India enjoys the largest banking franchise in India. Along with its 6 Associate Banks, State Bank Group has the unrivalled strength of over 16,000 branches across the country, arguably the largest in the world.

BNP Paribas is the 1st largest French company and ranks 5th in the banking industry worldwide, 1st bank in Euro Zone as per Global 2000 Forbes' 2008. It is 6th most valuable international banking brand as per Brand Finance 2008. BNP Paribas Assurance is the insurance arm of BNP Paribas - Euro Zone's leading Bank. BNP Paribas, part of the world's top 10 groups of banks by market value and part of Europe top 3
banking companies, is one of the oldest foreign banks with a presence in India dating back to 1860. BNP Paribas Assurance is the fourth largest life insurance company in France, and a worldwide leader in Creditor insurance products offering protection to over 50 million clients. BNP Paribas Assurance operates in 41 countries mainly through the banc assurance and partnership model.

Mission

"To emerge as the leading company offering a comprehensive range of life insurance and pension products at competitive prices, ensuring high standards of customer satisfaction and world class operating efficiency, and become a model life insurance company in India in the post liberalization period".

Values

- Trustworthiness
- Ambition
- Innovation
- Dynamism
- Excellence
Multi- distribution Model

SBI Life has a unique multi-distribution model encompassing vibrant Banc assurance, Retail Agency, Institutional Alliance and Corporate Solutions distribution channels.

SBI Life extensively leverages the State Bank Group relationship as a platform for cross-selling insurance products along with its numerous banking product packages such as housing loans and personal loans. SBI’s access to over 100 million accounts across the country provides a vibrant base for insurance penetration across every region and economic strata in the country, thus ensuring true financial inclusion. Agency Channel, comprising of the most productive force of over 65,000 Insurance Advisors, offers door to door insurance solutions to customers.

Corporate Social Responsibility

Gift Drishti One of our corporate ethoses, enhancing our SBI Life brand value, is about giving back to the society. In line with our Corporate Social Responsibility (CSR) initiatives, the cause of supporting our Elderly Citizens was initiated. Incidence of cataract blindness, annually at 3.28 million, is one of the most prevalent health ailments suffered by old people, particularly in rural pockets of our country.

On the occasion of World Elder's Day on 1st October, CSR initiative- "Gift Drishti" (Restoring vision) was launched in partnership with Help Age India, a registered national level voluntary body, working for the cause of disadvantaged aged persons. Restoring vision is done through Intra Ocular Surgery (IOL). SBI Life employees made
monetary contributions to the cause. SBI Life donated twice the sum contributed by its employees. Eye sight for thousands of elderly citizens was restored across the rural parts of the country.

**Read India Pledge**

SBI Life undertook the Corporate Social Responsibility (CSR) initiative, aimed at driving the cause to make children read and write. The campaign, "Read India Pledge" sensitized general public towards the cause and urged them to pledge & support the cause monetarily or by devoting time. The campaign was partnered by Pratham, one of the leading child-cause related NGOs and Radio Mirchi, a leading radio station.
ORGANIZATION SET –UP:

Board of Directors:

Popular Profiles at SBI Life Insurance Co. Ltd.

Fig. III.3 Organizational Set Up

New Hires and Recent Promotions at SBI Life Insurance Co. Ltd.

- **Purva Agrawal**

Manager - Client Relationship

was Manager - New Business Department

2 months ago

- Headquarters: Mumbai Area, India
- Industry: **Insurance**
- Type: Privately Held
- Status: Operating
- Company Size: 12,000 employees
- Website: [http://www.sbilife.co.in](http://www.sbilife.co.in)
STUDY OF PROMOTIONAL MARKETING STRATEGIES

Life insurers have begun to spend big money on brand promotion. The market, after all, is crowded. At last count, there were 22 companies in the fray for a market estimated at Rs 55,355 crore. SBI Life, the 74:26 venture of State Bank of India and BNP Paribas Assurance, has been not as aggressive as its rivals so far as brand promotion is concerned. Where others rolled out campaign after campaign, SBI Life stuck to its old campaigns. It is only now, after a two-year hiatus, that it has come out with a brand new advertising campaign. The ad, created by Ogilvy & Mather, shows a couple driving in the rain and listening to the radio, teasing and ribbing each other about their future plans. To create an emotional connect, the radio plays Hum jab honge saath sal ke’ (When we turn 60) which was sung by Kishore Kumar and Asha Bhonsle for the film, Bombay Talkies. It describes how the couple will grow old together. According to SBI Life’s Brand Head Chandramohan Mehra, the idea behind the campaign was to get young people to think about old age and how to secure it.

Though the communication retains its positioning of ‘celebrate life’, the insurer has chosen to make the brand more youthful. “We wanted to impart a youthful imagery because our core audiences are 30- to 45-year-old people in Tier II and III cities,” says Mehra. In all its earlier communications, the company had used elderly people extensively. “We have always reached out to people and connected with them emotionally. And this new commercial is a fresh and romantic take on a young couple’s dreams of old age,” says Ogilvy & Mather Chairman Piyush Pandey.

The penetration of the market is really low — just 15 per cent. But there are close to two dozen insurers eyeing a piece of the action. Any new campaign, therefore, needs a clear differentiator if it has to leave an impact. Thus, the objective of the SBI Life
advertisement is to articulate life insurance benefits to its core audience. Equally important is the timing of the campaign. According to Mehra, almost 50 per cent of business takes place in the last quarter as individuals take policies to get tax benefits. This is the market the current campaign seeks to tap.

To break the clutter, the company along with creative agency Ogilvy & Mather used the blue ocean strategy to differentiate itself. The strategy urges companies to look at the alternatives and reasons why people refuse to come to your industry, which consequently begins to give you insights into the alternatives and non-customers, and thus aims to redefine the market space. “We eliminated the mandatory celebrity endorsement, we don’t spend as much as competition and we keep our ads simplistic,” adds Mehra.

The equity market may have its ups and downs, but you now have a protective shield that will safeguard your investments, while providing upside potential. SBI Life brings you ’Smart Performer’, a unique Unit Linked, Non Participating insurance product that offers you the twin benefits of ’Higher than the Highest’ of the daily NAV Guarantee and the prospect of market upside. What’s more, it also allows you to protect your gains through Automatic Rebalancing facility and offers you a choice of Single and Limited Premium Payment options.

**Features**

- Guarantee at maturity based on ’5% Higher than Highest Guaranteed NAV’ during the first seven years or prevailing NAV at Maturity, whichever is higher, subject to conditions*. 

Enjoy the best of both worlds - Guarantee only or Guarantee and Market Upside through our unique Plan offerings - ‘Secure Plan’ and ‘Secure N Grow Plan’ respectively

‘Automatic Rebalancing’ to Lock-in your gains

Convenience through single premium (SP) or 5 year Premium Paying Term (PPT)

Life Insurance coverage with minimum Sum Assured of 10 times or 7 times of your Annualised Premium (AP), based on your age.

Liquidity through Partial Withdrawal(s)

Option to customize the product with Accidental Death Benefit

Attractive Tax benefits under the Income Tax Act, 1961, subject to conditions **

Benefits

Maturity Benefit: On completion of Policy Term, Maturity Value will be paid. Maturity value for the Daily Protect Fund will be calculated based on NAV which is higher of:

- Prevailing NAV as on date of Maturity  OR
- Higher than Highest Guaranteed NAV: There will be an increment of 5% to the Highest NAV achieved during the first seven years under the ‘Daily Protect Fund’.
- In addition, if there are any units in the Index Fund, the Fund value of such units, calculated at the Prevailing NAV would also be added, in order to arrive at the Maturity value.

Death Benefit: Higher of the Fund Value or Sum Assured## is payable; subject to a minimum of 105% of the total premiums paid## at the time of death. The death benefit is payable only for inforce policies.
**Accidental Death Benefit Option:** Accidental Death Benefit: Provides additional death benefit if the death occurs as a result of an accident.

**INSURANCE PLANS**

**Unit Link Plans: Introduction**

Unit Linked Insurance Plans are long term investment cum protection plans that offer you an opportunity of availing market linked returns while providing life insurance protection. Depending on your risk appetite, you have the option of choosing from host of funds having varied degree of risk exposure. Flexibility and transparency are some of the other attractive features that make ULIPs an attractive long term investment option.

To help you fulfill your long term dreams, SBI Life presents you a wide range of ULIPs so that you continue to Celebrate Life!

- **SBI Life - Horizon™ III**
  - A Non-Participating Unit Linked Insurance Plan

- **SBI Life - Unit Plus™ III**
  - A Non-Participating Unit Linked Insurance Plan

- **SBI Life - Horizon™ III Pension**
  - A Non-Participating Unit Linked Pension Plan

- **SBI Life - Unit Plus™ II Child Plan**
  - A Non-Participating Unit Linked Insurance Plan

- **SBI Life - Horizon™ III Pension**
  - A Non-Participating Unit Linked Pension Plan

- **SBI Life - Unit Plus™ III Pension**
  - A Non-Participating Unit Linked Pension Plan

- **SBI Life - Unit Plus™ Elite II**
  - A Non-Participating Unit Linked Insurance Plan

- **SBI Life - MAHA ANAND II**
  - A Non-Participating Unit Linked Insurance Plan

- **SBI Life - Unit Plus™ III Pension**
  - A Non-Participating Unit Linked Pension Plan

26 27 28
Corporate Solutions

Introduction

SBI Life offers a wide range of employee benefit solutions which helps organizations to retain, reward and encourage the best talent in the industry. It also provides a host of corporate solutions to both statutory needs as well as voluntary needs of the employers and hence ensures to strengthen the employer-employee relationship in the long run.

Retirement Solutions
Group Employee Benefit Retirement Solutions

Group Protection Plans
Group Protection plans for your employees’ secure future

Health Plans:

Financial planning is incomplete without planning health insurance. Due to today’s hectic lifestyle, improper diet, lack of exercise we are at higher risk of contingencies of untimely serious illnesses. Sudden health problems could have deep hole in your pockets. Medical science has advanced by leaps and bounds in the last few decades. There’s a definite need to cover for health insurance to reduce the financial burden.

SBI Life - Group Criti9

A Traditional Non-Participating Group Health Plan
SBI Life - Hospital Cash
### OUR SBI BUSINESS GROWTH

#### PROFIT & LOSS A/C

Table III, 5 Profit & Loss a/c

*(Rs in crores)*

<table>
<thead>
<tr>
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<th>2009-10</th>
<th>2008-09</th>
<th>2007-08</th>
<th>2006-07</th>
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<td>Interest in advance</td>
<td>50633</td>
<td>46405</td>
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<td>Interest on resources operation</td>
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<td>16974</td>
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<td>Other sundry interest</td>
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<td>410</td>
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<td><strong>Total interest income</strong></td>
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<td><strong>63788</strong></td>
<td><strong>48950</strong></td>
<td><strong>37242</strong></td>
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<tr>
<td>Total interest expense</td>
<td>47322</td>
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<td>Net interest income</td>
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<td>Total non interest income</td>
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<td><strong>33564</strong></td>
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<td>Total staffs expense</td>
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<td>Total overhead expense</td>
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<td>Total operating expense</td>
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<td><strong>13107</strong></td>
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<td>Loan loss provision</td>
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<td><strong>9121</strong></td>
<td><strong>6729</strong></td>
<td><strong>4541</strong></td>
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*Source: - www. IRDA annual report.com*
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