PREFACE

Inventing life insurance must be appreciated, as it has been consistently providing some relief to human beings. Over the period many new innovative thoughts, ideas, inventions, researches, brought many changes in the basic concept of insurance and today it has become the necessity of human being.

India has got history of Insurance from Vedic era, and insurance sector in India has been maintaining consistent pace with the changing world. Life Insurance Corporation of India is the only Government owned life Insurance Company of India and is a proud organization of India.

Wide spread product range and network of life insurance companies is helping people all over the country and across the globe. Many basic needs such as education, having own dream house, compensating huge expenses for critical surgery and critical health, marriage of children etc. of people are completed with the help of insurance.

Insurance has been consistently registering progress every day and contributing great help to Indian economy also. As of today insurance sector is contributing 22 % to Indian economy, and it is growing at the rate of 20 % per year.

Government of India’s decision to invite foreign direct investment (FDI) in insurance sector, proved to be a wise and successful decision, which has certainly given growth to Indian economy, and generating more employment, offering life insurance cover to maximum people, and penetrating insurance to grass root level.

There is a pending bill with the parliament of India demanding increase in present FDI in insurance sector from current 26 % to new 49 %. If this pending bill is cleared by parliament of India, it may certainly help insurance sector to boost its contribution to Indian economy, penetrate insurance with great speed, and offer life insurance cover to maximum people at micro level also.

Now women are no way lagging behind in competition and sharing responsibilities with men. Insurance sector is not an exception to it. It needs to be appreciated here that good number of women are also actively carrying insurance marketing in India. In order to encourage and uplift women in insurance marketing sector, Government of India if makes some special constitutional and fundamental provisions, such as making special reservation for employment of women in insurance sector, it will definitely help country and women in the country.
But still there are some constraints such as no job security, poor economic condition, huge liabilities, poor education, poor awareness, more preference for domestic needs, lack of saving habits, other resources available for fast money multiplication, etc, needs to be addressed to utmost satisfaction of the people and staff of the life insurance companies, which will definitely clear many inhibitions, and pre-occupied mind sets and assumptions.

Insurance business activities and other insurance related activities are fairly controlled by apex authority Insurance Regulatory and Development Authority of India (IRDA), which is certainly a healthy sign for growth of insurance sector in India.

Life Insurance Corporation of India (LIC of India) has enjoyed monopoly insurance business for the period Year 1956 to 2000, but could not penetrate insurance to the expected level. After arrival of private life insurance companies, there is over all rise in penetration, awareness, and number of people life insurance cover. private life insurance companies have been successfully launching new products with new concepts and benefits, which LIC of India, had never done in the past.

Now there is urgent and emergency situation for LIC of India to wake up and upgrade itself in all the aspects first, to arrest the current de-growth that is taking place every year, and secondly, to plan for growth by applying innovative marketing strategies and techniques etc. Investment in life insurance is a long term process and the investor customers are not able to enjoy their money when they are alive. Either only dependent family members get the big amount in case of untimely demise of their family member, or if the insured person lives for the entire term, then he or she gets the maturity benefit amount only after long waiting period of twenty plus years. By that that time the value of that amount is not so important considering inflation existing at that time.

Some radical invention needs to be done in life insurance while launching new products, to ensure that the investor customer must get benefit of their investment in life insurance when they are alive and facing critical problems in their domestic life.

The conclusions and suggestions mentioned in the thesis are purely, personal opinion of the researcher, and may not be acceptable at certain points to the readers, but the fact is that, difference of opinion only gives rise to thinking process, research, and inventions and innovations. Hope that this thesis will definitely provide vital insight to researchers of next generation.

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