CHAPTER – III

TIRUNELVELI DIVISION OF
LIFE INSURANCE CORPORATION –
A PROFILE
In this chapter, a short profile of the study area, Tirunelveli division of Life Insurance Corporation, is presented to enable quick understanding of the socioeconomic background of the area. The organisational, administrative, business and other relevant socioeconomic aspects have been succinctly summed up as background material. An easy insight is facilitated into the evolving process of change and transformation.

3.1 ORIGIN

The Tirunelveli division of Life Insurance Corporation was born on 1\textsuperscript{st} April 1992 as a result of a few administrative reforms initiated by Life Insurance Corporation of India. Originally the area under this division belonged to Madurai division. The Tirunelveli division is rated as the seventh in Tamil Nadu and eleventh in South Zone.
Tirunelveli is the head quarters of this division. It is a growing town of great traditions and with a rich historical past. It is said that this town is two thousand years old and it was the capital of Pandya Kings sometime.

3.2 COMPOSITION:

The Tirunelveli division of Life Insurance Corporation is compactly composed of the three popular southern most districts of the land namely Tirunelveli district, Tuticorin district and Kanyakumari district. These three districts are popular in their own right.

The original Tirunelveli district was bifurcated on 20th October 1986 as Tirunelveli Kattabomman district and V.O. Chithambaranar district for the sake of administrative viability and convenience.

Subsequently, in 1997 the government of Tamil Nadu decided to remove all personal names attached to the districts and other places of public importance and so these districts became Tirunelveli and Tuticorin again.
3.3 LOCATION

This division is located at the southern most tip of the land. On the northern side, Ramanathapuram and Virudhunagar districts are there. On the eastern side, there is Bay of Bengal. On the southern side, the Tri-sea area comes and on the western side, the state of Kerala is found. Plains, small hills and the western ghats add a rare and rich flora and fauna to this part of the country. Mention may be made that the climatic conditions and several seasonal endowments are moderate and congenial.

3.4 AREA COVERED

The Tirunelveli division of Life Insurance Corporation has a total area of 13,113 Sq.Kms. Out of this total, Tirunelveli district has 6780 Sq. Kms, Tuticorin district 4649 Sq.Kms and Kanyakumari district 1684 Sq.Kms. There are six revenue divisions totally. The number of taluks in these three districts comes to 21. The total number of revenue villages in this division works out 734.)
3.5 DEMOGRAPHIC FEATURES

3.5.1 TOTAL POPULATION

According to 1991 census, the total population of this division is 5540459. The shares of Tirunelveli district, Tuticorin district, Kanyakumari district work out 2493189, 1455796 and 1591174 respectively.

3.5.2 MALE AND FEMALE COMPOSITION

(Out of the total population 2709617 are male population and 2830542 are female. This division is a women majority division. The corresponding percentages are 48.90 and 51.09. While in Tirunelveli district, there are 1223419 male and 1269770 female population, Tuticorin district has 711087 male and 744709 female population, and Kaniyakumari has 775111 male and 816063 female population.)
(3.5.3 LITERARY RATE)

The average literacy rate for this division works out 87 per cent. The Kanyakumari district tops the list with 92 per cent. This division seems to be in the third stage of low birth rate and low death rate of the demographic transition scenario.

3.6 RURAL - URBAN DICHOTOMY

As it is found extensively in India, this division also has a predominant rural basis. The elements of urbanisation are strongly felt and found. Yet a number of small villages characterised by the rural economic contours are very common. Some areas are in between advanced township and lagging village.

3.7 ECONOMIC SECTORS

The primary sector of the Tirunelveli district is naturally agriculture. The large scale, medium scale, small scale and tiny industrial units form the secondary sector. The territory sector has a few strong branches and certain weak partners. Infrastructural facilities are being developed. On the whole, the agrarian civilization seems to be the order of the day.
A transformation towards the industrial civilization has already been initiated and is getting momentum.

3.8 BRANCH OFFICES

Totally there are sixteen branch offices in Tirunelveli division of the Life Insurance Corporation. Out of them, eight branch offices are in Tirunelveli district, four in Turicorin district, and four in Kanyakumari district.

The corresponding figures are fifty per cent, twenty five per cent, and twenty five per cent respectively.

A close look at the above figures reveals that there is a reasonable degree of balance and the branch offices are so spread that easy approach and accessibility for the public at large are adequately ensured. This feature is a vital input in any business venture. For the original contact, periodical clarifications and the enjoyment of services, this type of an arrangement goes a big way. Any profit making organisation with social service and upliftment as prime objective is bound to given necessary importance to the geographical spread and administrative coverage.
Branch Wise Map of TIRUNELVELI DIVISION

- SANKARANKOVIL
- KOVILPATTI
- TENKASI
- S.T.C., COURTALLAM
- TIRUNELVELI
- UNIT I, II
- SIVAIKUNRAM
- TIRUCHENDUR
- NAGERCOIL
  - UNIT-I
  - UNIT-II
- AMBADURAM
- CHIRAN-MAHADEVI
- VALLIOOR
- KOLLAM
- KELITURAI
- TIRUKKALAY

DISTRICT BOUNDARY

BRANCH BOUNDARY
3.9 ADMINISTRATION

A well thought out and scientific administrative frame is one of the merits of the Life Insurance Corporation of India. The management of men and matters; the retrospective stocktaking and the prospective planning depend on the system and style of the administrative arrangement.

In keeping with the requirements of optimisation of welfare, the Life Insurance Corporation of India provides an able and effective administrative structure. The elements of centralisation and decentralisation have to be cautiously blended to maximise efficiency.

The Board of Life Insurance Corporation, its corporate governing body was strengthened with seven non-official members representing various walks of life and disciplines. This is bound to qualitatively enrich the corporate decision making and significantly add to the organisational initiatives.

In keeping with the general system of administration, in Tirunelveli division of Life Insurance Corporation also there is Divisional
Manager (DM) at the helm of affairs. On par with him on the marketing side there is a Marketing Manager (MM), then Branch Managers (BM), Assistant Branch Managers (ABM), Administrative Officers (AO), Assistant Administrative Officers (AAO), Development Officers (DO), clerical staffs and sub-staffs.

The Life Insurance Corporation of India has been following a national recruitment policy based on pure merit and competence. As found in 1997, this division possesses 16 Branch Managers (BM), 16 Assistant Branch Managers (ABM), 23 Administrative Officers (AO), 48 Assistant Administrative Officers (AAO), 130 Development Officers (DO), 669 clerical staffs and 103 sub-staffs.

3.10 FIELD STAFF

In Life Insurance Corporation, the field staff and force are supposed to be the bedrock or the cornerstone of the entire structure. It is really their contribution that counts more, if the field force is more attractive and remunerative. For that the Life Insurance Corporation provides a system of suitable incentives and encouragement.
As far as the field staff are concerned there are two categories. One is Development Officers and another is Agents. Agents fall under the categories of (a) Direct agents (b) Ordinary agents (c) Carrier agents and (d) Rural carrier agents. The carrier and direct agents are directly guided and controlled by Branch Managers (BM). The ordinary agents come under the supervision and guidance of Development Officers. A Development Officer can have any number of agents under his fold.

Certain minimum qualifications and business promotions are stipulated for recruitment and upliftment.

Virtually, a dedicated army of Development Officers and agents work day in and day out and contribute towards the progress of Life Insurance Corporation and the promotion of welfare of the policyholders. Naturally they themselves are also duly benefited.

As far as the Life Insurance Corporation is concerned the Development Officers are assigned a challenging role to play. These Development Officers, like bankers, have to motivate the agents and the people by assuming the multiple role of the friend, philosopher and a guide.
Virtually, they bridge the agents and the corporation. They have to correctly identify the potential areas of business and tap them suitably. The credit of being the micro level, effective field force rests with the agents in Life Insurance Corporation of India. A Life Insurance Corporation agent may not accumulate a fortune and with that endow a charitable institution, but his efforts make charity unnecessary for thousands of people. He does not compose a symphony which thousand hear and cheer, but he puts a song into the retirement days of thousands of men and women”.

The works of Originating, forwarding and serving policies are being carried out by the insurance agents. As Insurance policies can be taken only through agents, no person can insure his/her life directly. There is an exemption of this rule for the Life Insurance Corporation staff alone.

To become a Development Officer in Life Insurance Corporation, one should be a graduate and S.S.L.C. is the minimum required qualification for an agent.

A Noteworthy arrangement of recognition is that the agents are made members of any of the following clubs on the basis of business performance (a) Chairman’s club members (b) Zonal Manager’s club-members (c) Divisional manager’s club members and (d) Branch manager’s club members.

In this manner necessary incentives and negotiation are provided to the hardworking and inspiring field staff particularly the agents. There is no substitute for Life Insurance Corporation and there is no profession as noble as that of a Life Insurance Corporation agent.

(3.11 BENEFICIARIES

Administrative staff and the field force, those who are benefited directly or indirectly are usually known as beneficiaries.

The policyholders are the main beneficiaries. Then the government and the governmental agencies follow suit.

Policyholders are the actual insurers. A policy is a contract in black and white between a person and the corporation to provide insurance coverage for the payment of periodical premium.
There are different types of policies catering to the requirements of policyholders.

Times are changing. Risks abound everywhere. Wants also proliferate in plenty. Competition has become a hallmark for modern living. Challenges are met carefully. Impossibles are made possibles. Dreams are turned into actuals. Men and women vie with each other. The much ado of life is made marginal. The trial and tribulations are transformed into joys and jubilation. Opportunities and accidents of life are well utilised and guarded. Impulse of youth and wisdom of age pave the way to bliss and plenty. Rarity is made rare. Intricacies are made ecstasies.

This philosophical note of modern times highlighting the fundamental changes to cross and surpass hurdles and muddles seemed to have been richly reflected in the earnest efforts of Life Insurance Corporation.

It is obvious that the insurance policies provided a safe and secured coverage to policyholders directly. But another noteworthy dimension is that the return from the policies in the form of loans, bonus, periodical instalments and financial settlement amounts give benefits to a number of dependents both directly and indirectly.

Apart from monetary benefits, a sense of security and a spirit of saving are also generated among the public by the Life Insurance Corporation. Timely loans are made available without much delay or complex procedures.

Another very significant feature of Life Insurance Corporation is that it is one of the very few organisations where corruption of any type is banned totally.

The next remarkable benefit is the huge loans advanced by the Life Insurance Corporation to government and quasi-government bodies at nominal interest rates. Life Insurance Corporation is to participate in the grand endeavor of constructive nation building through the advancement of creditable loans.

"Life Insurance becomes one of the major state undertaking in India. It is an important step in our march towards socialistic society."
Its objective will be to serve the Individual as well as the state. The profit motive goes out of its and the service motives become much more dominant”.

There are a number of types of policies to suit to the needs of those who want. Among them Mutual Funds policies meant for Non-Resident Indians (NRIs) are noteworthy.

Mention should be made about the liberal Housing loan facilities provided by Life Insurance Corporation to policyholders. By observing certain conditions quick and considerable loans are given to policyholders at comparatively low interest rates. A system of monthly or periodical repayment of loans also is made available. In an underdeveloped country these loans are a boon to particularly the middle class policyholders.

3.12 VOLUME OF BUSINESS

One of the sure indicators of the strength of a division of Life Insurance Corporation is the total turnover or the volume of business done.

The activities of the division are much influenced only by volume of business. Welfare becomes a function of business. The Tirunelveli division enjoys an expanding track record of business.

3.13 TIRUNELVELI DIVISION AND SOUTHERN ZONE

There are seven Zones of Life Insurance Corporation enjoys a significant role. In the southern zone there are twelve divisions. There is a well thought out administrative and operational structure.

For all practical purposes, the Tirunelveli division reflects the characteristics of the southern zone with a few marginal variations.

3.14 A FEW CREDITABLE POINTS

The Tirunelveli division has many leading and a pioneering feature to its credit. This area is economically sound and socially dynamic. It enjoys political pride and historical significance also. Culturally too it has been enjoying a dominating place.

Tirunelveli has a rich and varied tradition and it is 'two thousand years young'. The popular and perennial river Thambarabarani is almost the life line of the area. Its water is said to have rare and unique medicinal effect.
There are a number of centers of tourist attraction here. For example, Courtralam, ‘the spa of the south’, is in Tirunelveli district. Its water falls, life giving climate and enchantingly elegant natural gifts serve as a tender cradle to the strained souls providing the magic touches of a mother. Churches, Temples, gardens and commercial complexes add charm and peace.

The twin cities of Tirunelveli and Palayamkottai enjoy a high educational profile which has won the venerable and popular name of ‘the Oxford of the South’.

One of the four Internationally reputed science center is in Tirunelveli district. Though mainly agricultural based, business and industrial ventures have been thriving on sound lines.

The textile and spinning mills, the cement factories, the paper mills, the jewellery bazaar, the cloth bazaar, the transport and communication network, the wholesale merchants and retail traders provide a promising support to economic and commercial efforts.

Tuticorin is one of the outstanding industrial centers of South India. It may be called ‘a miniature Japan’. Tuticorin is the only
pearl fishing harbour in the whole of India. The salt, Chemical, heavy water and import and export industries enrich the industrial civilization and has won a significant place for Tuticorin in the industrial map of India. This harbour town is economically sound enough to strengthen the service sector.

Kanyakumari district is the third segment of this division. As most of the places of Kanyakumari district were with the erstwhile state of Trivankoor, one can find a pleasing mixture or blend of the dual cultures of malayalam and Tamil. Kanyakumari the southern most tip of India is a proud possession of nature and man. It is one of the topmost tourist centers. People from distant places of India and other countries visit this town for religious and other reasons. It is really a feast to the eyes to witness the sunrise at a place where the Bay of Bengal, the Arabian Sea and the Indian Ocean mingle magestically each with thunderous waves.

A serina atmosphere of beauty and gaiety throws a healing touch to the heart and the soul. The loved silence experienced by the visitors to the Kanyakumari has an enthralling effect.
Still, there are very active commercial pursuits in and around Nagercoil, the district headquarters. Such characteristics ensure a potential background for insurance and other pursuits.

Socially speaking, except for a few undesirable and anti-social happenings during the immediate past, this division has been a very well balanced and progressive one. Generally people are pious, peace loving and hospitable to a very large extent.

A leading creditable point of this division is its progressive drive towards modernisation and development.

The Life Insurance Corporation can easily achieve further considerable business in this division under similar encouraging background. The functions, services and efforts can be maintained easily on par with the all India levels. Having introduced the insurance business and the division under study, the researcher proceeds to the chapter IV which is devoted for analysis and interpretation.