Chapter-VIII
Conclusions and Recommendations

Every study is completed only if it has certain outcomes in the form of findings and certain recommendations for the correction of faulty areas that have been found during the course of the study.

It seems unlikely that the LIC and the GIC will shrivel up and die within the next decade or two. The IRDA has taken a "slowly slowly" approach. It has been very cautious in granting licenses. It has set up fairly strict standards for all aspects of the insurance business (with the probable exception of the disclosure requirements). The regulators always walk a fine line. Too many regulations kill the incentive for the newcomers; too relaxed regulations may induce failure and fraud that led to nationalization in the first place. India is not unique among the developing countries where the insurance business has been opened up to foreign competitors. From Table 4, we observe that the openness of the market did not mean a takeover by foreign companies even in a decade. Thus, it is unlikely that the same will happen in India, especially when the foreign insurers cannot have a majority shareholding in any company.
This chapter is divided into two different parts i.e.

A) Major conclusions

B) Important suggestions and recommendations given by the researchers.

**Major conclusions:**

1. The average growth rate of policies have been increase by 46.77% during the study period. (refer table no.3.1)

2. The maximum growth rate of premium income in LIC, division office Aurangabad was division 28.97% during the study period (2006-07). (refer table no.3.2)

3. The minimum growth rate of development officers’ in LIC, divisional office Aurangabad was 3.13% during the study period (1998-99). (refer table no.3.3)

4. The total growth rate of agents’ in LIC, divisional office Aurangabad was 65.52% in the study period. (refer table no.3.4)

5. The annual highest growth rate of maturity amounts of LIC, divisional office Aurangabad was 30.34% during the study period i.e.2001-02. (refer table no.3.5)

6. The average annual growth rate of settlement numbers after death was 12.42% during the study period. (refer table no.3.6)
7. The average growth rate in the policy settlement amount after death was 17.22% under LIC at Aurangabad division in the study period.

8. The annual growth rate of the policies issued by the LIC and private company was the highest 96.75% in the year 2002-03.

9. The study founds that, there is no monopoly after the globalization of Life Insurance Corporation of India.

10. The study founds that in the study period LIC had sold 0.8 million micro insurance policies.

11. The study reveals that according to Indian investment incomes and savings survey (2007). Insurance penetration in urban India is 47% in urban area, while it is 27% in rural area.

12. Four fifth of the policy holders of LIC feels that they are not satisfied with the settlement of police claims, there is unnecessary delays found in the policy reporting stage.

13. One fourth of the divisional policy holders are not satisfied.

14. Percentage growth of numbers of LIC in Aurangabad division 13 is decreased (1.42%) in the year 1999-2000.In the year maturity growth rate is very high (22.02%) in the year of 2000-2001.

15. It is revealed from the study is that the growth of maturity in numbers of policies is increased from 2258.26 in 1998-
99 to 14378.39 in 2006-07 nearly seven times during the study period. The average growth rate of maturity is 17.22% in Aurangabad division.

16. The average annual growth rate in the settlement numbers after death was 12.42% the maximum was 3,030 in the 1997-98 (refer table no.6.3)

17. The average annual growth in the policy settlement amount was Rs.1373.12 lakh. The average annual growth amount was Rs.1373.12 lakh. The maximum amount was Rs.2256.46 lakh in 2006-2007 and the minimum settlement policy amount is Rs.634.52 lakh in 1997-98.

18. It is found from the study is that, during the year of 2003, the global life insurance business witnessed a decline of -0.8%. However, the emerging market life insurance business grew by 6.6% as against -1.7% decline in the industrialized countries.

19. It is noted from table no 1.4 is that, the show of insurance funds has increased from 8.7% in 1993-94 by 14.9% in 2003-04, while the show of life insurance funds increased from 8% to 14.5% (refer table no.1.6 and 1.7)

20. Total numbers of policies underwritten in 2004 which are increased by 12.78% from 25382690 in 2002-03 to 28626915 in 2003-04, while the premium under these policies increased by 51.80% from Rs.12,32,483.37 lakh to 18,71,016.02 lakh during the study period.
21. Table no. 7.1 shows the growth rate of policies, the total no. of policies issued by the life insurance corporation of India were 145,311,771 and by the private companies 3,302,140. The annual growth of the LIC as well as private companies was the highest in 2006-07 38,229,292 and 2,922,274 respectively.

22. It is found from the study is that the average increase in the premium of the Life insurance corporation was Rs.76,954.35 crore and private insurance companies was Rs.9,262.67 crore.

**Important Recommendations:**

1. Increased the number of LIC agents at Aurangabad divisional level.
2. Increased the number of development officers for the increase in business and appropriate training must be given to them.
3. The rural population of Aurangabad division is 75% so there is a need of short terms and beneficial policies for the rural area.
4. The growth rate of the various policies is different, these rate’s should be increased.
5. The mekinsey report an insurance says rural penetration is likely to rise from 25% to 42% in 2012, so there must be the developing penetration in this sector while it is still in a naslent stage.
6. The study found that 65% of the life insurance business coming from the rich urban class, there must be some attractive bonus strategies only for the rich class policy holders.

7. Reporting of the policy claims are sometimes not even reported within 12 months like the offeces of an injury, for the settlement of the claim that can take there to four years and sometimes it takes time as long as 20 years for the settlement no doubt it effects on the LIC business, so the management of LIC must prepare appropriate policies for the immediate report and for the urgent claim’s for the benefit of the policy holders.

8. There is a need of short term and beneficial policies to the policy holders the life insurance corporation of India.

9. To increase the level of insurance penetration LIC must focus on bringing products that should be suited to the rural customers.

10. The company should invest in advertising, conduct road shows, and spend money. The Life Insurance Coporation of India gives information to the policyholders regarding the installment and bonus.

11. Claim settlement process should be made easy and fast and must not involve lengthy decision making process.

12. Some special focus should be laid on individual risk coverage while designing the products
13. LIC should provide additional funds to their development officers and agents, for the latest training and developmental programmes.

14. LIC should keep a check that all the agents equally promote all its product.

15. Policyholders friendly documentation i.e. it should be made easier and faster.

16. The company has the option of tying up with local NGO’s for selling LIC policies for rural insurance products.

17. All the hidden charges should clearly be stated in the form and explained by the agent and LIC should provide better training to their agents and development officers.

18. LIC should tie up with several other banks apart from the existing ones to sell their products.