PREFACE

Insurance is the outcome of constant search of men for security and finding out ways and means of ameliorating the hardships arising out of calamities. Here, the person exposed to similar risk contributes some amount periodically and those who actually face the loss are indemnified out of these funds.

For the development of the economy insurance sector plays a vital role. Till now these two giant public sector corporations, namely The Life Insurance Corporation of India (LICI) And The General Insurance Corporation of India (GICI) with its subsidiaries managed the major share of insurance business in India.

Though India is the second largest country in terms of population in the world, the coverage of life insurance is meager by any standards. Among various reasons for this, lack of proper marketing approach may be mentioned as an important one. Further, in view, of the recommendation of the Malhotra Committee, Life Insurance business has become competitive with the entry of private agencies and foreign insurance companies. Therefore, any attempt to examine the present marketing strategies and practices and designing need-based strategies to suit the markets needs is to be welcomed.

For the effective functioning of any service organization, a well planned marketing strategy is essential. In case of LICI also, consumer oriented marketing policy is essential to achieve its goal. But unfortunately the need for developing consumer based marketing approach was recognized in LICI at the late stage.
In the year 1982, LICI started adopting the marketing approach. The first step towards this end was decentralization of LICI operations up to branch level. This helped in avoiding delays in policy servicing and moving closer to the customers.

Under the reorganization scheme, the LICI felt that the basic change in the concept of the organization from a sales organization is that of a marketing organization requires a scientific approach to the sales techniques. In view of this, the objectives of the marketing policy have been defined as a national organization to provide optimal financial security, through life insurance, as extensively as possible to adverse population in urban and rural areas, with different occupations and sources of income and in high, middle and low income levels more especially the economically weaker sections.

Indian service markets are no longer the market of the public sectors. Another historical turn was undertaken as liberalization of insurance industry. The Insurance Regulatory Development Authority (IRDA) started functioning from 2000 and is regulating the private life business along with LICI & GICI. With the entry of private sector into the services made it competitive and challenging. At present, in addition to LICI in public sector, 16 private companies are operating in life business.

Services are seemingly similar in nature and are different to be recognized as they lack tangibility. Services form a major portion of our life. At every step of our life, we are enjoying the services of one or other agency and we don’t reckon it. The present study has conducted in LICI with emphasis on Silchar Division as it covers the southern part of Assam along with three other states, namely Manipur, Mizoram and Tripura.

SUBIT DUTTA