CHAPTER 1

INTRODUCTION
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1.1 OVERVIEW

This chapter presents an overview of the research, the Background to the study, problem statement and purpose of the study, Objective of the study and research questions, Significance of the study, Limitations, Delimitations, and structure of the thesis.

1.2 BACKGROUND TO THE STUDY

Indian Insurance Market

At present, there are 24 life insurance companies operating in India flourishing with a growth rate of 15-25%. Thus, Insurance sector in India is a massive one and together with banking services, insurance services add about 7% to the country’s GDP.

- Number of life insurance companies in India
- Growth rate of Industry
- contribution to GDP

A rapidly growing and well evolved insurance sector can be very beneficial for economic growth of any country as it fulfills the long term fund requirement which can be positively used for infrastructural development of country at least risk. However, as the economic scenarios become increasingly complex and volatile, it is almost certain that there will be more deleveraged financial system and substantially different regulatory environments. In the midst of all this, what should insurers focus on in this changing environment? What changes to Asset/Liability Management (ALM) and Enterprise Risk Management (ERM) can help companies ride out of current crisis and come out even stronger. This study focuses upon the changing dynamic of the insurance industry and suggestive risk management framework and practices.
India’s life insurance sector is the biggest in the world with about 360 million policies which are expected to increase at a compound annual growth rate (CAGR) of 12-15 per cent over the next five years. The insurance industry plans to hike penetration levels to five per cent by 2020. The country’s insurance market is expected to quadruple in size over the next 10 years from its current size of US$ 60 billion. During this period, the life insurance market is slated to cross US$ 160 billion.

The Indian insurance market is a huge business opportunity waiting to be harnessed. India currently accounts for less than 1.5 percent of the world’s total insurance premiums and about 2 percent of the world’s life insurance premiums despite being the second most populous nation. The country is the fifteenth largest insurance market in the world in terms of premium volume, and has the potential to grow exponentially in the coming years.

The sector of life insurance has witnessed immense growth in the past few years. Today, it is second only to banks for mobilized savings and forms a formidable part of the capital market.

The life insurance sector controls:
* More than Rs. 35,782 crores of deployed capital
* Over Rs. 24,01,386 crores of managed assets
* Investments in infrastructure exceeding Rs. 2,95,940 crores

Another indication of the sector's growth is its infrastructural strength. Today the life insurance sector comprises of:
* Over 11,091 branches
* More than 20.07 lakh agents
* 2.45 lakh direct employees and growing significantly
* 32.52 crores In-force policies

The above figures are provisional as of 30th June 2015 (Source: Life Insurance Council).

**Investments**
The following are some of the major investments and developments in the Indian Life insurance sector.

- The Insurance Regulatory and Development Authority of India (IRDAI) is planning to simplify the approval process for online insurance products.
- The Central Government is planning to launch an all-in-one insurance scheme for farmers called the Unified Package Insurance Scheme (Bhartiya Krishi Bima Yojana). The proposed scheme will have various features like crop insurance, health cover, personal accident insurance, live stock insurance, insurance cover for agriculture implements like tractors and pump sets, student safety insurance and life insurance.
- Government launched a special enrolment drive, Suraksha Bandhan Drive comprising of sale of gift cheques and launch of deposit schemes in bank branches, to facilitate enrolment under Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY).
- To increase the subscriber base and ensure wider reach, the Central Government has eased several norms for its flagship insurance scheme Atal Pension Yojana (APY), in terms of more options for periodical contributions, voluntary and premature exits and simplified penalty for payment delays.
Bennett Coleman and Co. Ltd (BCCL), the media conglomerate with multiple publications in several languages across India, is set to buy Religare Enterprises Ltd’s entire 44 per cent stake in life insurance joint venture Aegon Religare Life Insurance Co. Ltd. The foreign partner Aegon is set to increase its stake in the joint venture from 26 per cent to 49 per cent, following government’s reform measure allowing the increase in stake holding by foreign companies in the insurance sector.

GIC Re and 11 other non-life insurers have jointly formed the India Nuclear Insurance Pool with a capacity of Rs 1,500 crore (US$ 226 million) and will provide the risk transfer mechanism to the operators and suppliers under the CLND Act.

State Bank of India has announced that BNP Paribas Cardif is keen to increase its stake in SBI Life Insurance from 26 per cent to 36 per cent. Once the foreign joint venture partner increases its stake to 36 per cent, SBI’s stake in SBI Life will get diluted to 64 per cent.

Bangladesh has granted permission to the Life Insurance Corporation of India (LIC) to run its business, making it the second foreign insurance company to operate in the country.

Reliance Life Insurance Company (RLIC) today said it will add 20,000 agents across India in this financial year as part of its expansion plans. It will increase their agency force by 20 per cent which now stands at 100,000.

**Government Initiatives**

The Government of India has taken a number of initiatives to boost the insurance industry. Some of them are as follows:

- IRDAI has formulated a draft regulation, IRDAI (Obligations of Insures to Rural and Social Sectors) Regulations, 2015, in pursuance of the amendments brought about under section 32 B of the Insurance Laws (Amendment) Act, 2015. These regulations impose obligations on insurers towards providing insurance cover to the rural and economically weaker sections of the population.

- The Government of India has launched two insurance schemes as announced in Union Budget 2015-16. The first is Pradhan Mantri Suraksha Bima Yojana (PMSBY), which is
a Personal Accident Insurance Scheme. The second is Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), which is the government’s Life Insurance Scheme. Both the schemes offer basic insurance at minimal rates and can be easily availed of through various government agencies and private sector outlets.

- The Uttar Pradesh government has launched a first of its kind banking and insurance services helpline for farmers where individuals can lodge their complaints on a toll free number.
- The select committee of the Rajya Sabha gave its approval to increase stake of foreign investors to 49 per cent equity investment in insurance companies.
- Government of India has launched an insurance pool to the tune of Rs 1,500 crore (US$ 226 million) which is mandatory under the Civil Liability for Nuclear Damage Act (CLND) in a bid to offset financial burden of foreign nuclear suppliers.

**Road Ahead**

India’s insurable population is anticipated to touch 750 million in 2020, with life expectancy reaching 74 years. Furthermore, life insurance is projected to comprise 35 per cent of total savings by the end of this decade, as against 26 per cent in 2009-10.

The future looks promising for the life insurance industry with several changes in regulatory framework which will lead to further change in the way the industry conducts its business and engages with its customers.

Demographic factors such as growing middle class, young insurable population and growing awareness of the need for protection and retirement planning will support the growth of Indian life insurance

### 1.2.1 CURRENT PROFILE OF INSURANCE COMPANIES IN INDIA

**Life Insurance** is the fastest growing sector in India. Since 2000 as Government allowed Private players and FDI up to 26% and recently Cabinet approved a proposal to increase it to 49%. Life Insurance in India was nationalised by incorporating Life Insurance Corporation (LIC) in 1956. All private life insurance companies at that time were taken over by LIC. All life insurance companies in India have to comply with the strict regulations laid out by Insurance Regulatory and Development Authority of India (IRDA).
Life Insurance Corporation of India (LIC), the state owned behemoth, remains by far the largest player in the market. The private companies have come out with products called ULIPs (Unit Linked Investment Plans) which offer both life cover as well as scope for savings or investment options as the customer desires.

Here is a list of life insurance companies registered by IRDA.

1. Aegon Religare Life Insurance Co. Ltd.
2. Aviva Life Insurance Co. India Ltd.
4. Bharti AXA Life Insurance Co. Ltd.
5. Birla Sun Life Insurance Co. Ltd.
7. DHFL Pramerica Life Insurance Co. Ltd.
8. Edelweiss Tokio Life Insurance Co. Ltd.
9. Exide Life Insurance Co. Ltd.
10. Future Generali India Life Insurance Co. Ltd.
11. HDFC Standard Life Insurance Co. Ltd.
12. ICICI Prudential Life Insurance Co. Ltd.
13. IDBI Federal Life Insurance Co. Ltd.
15. Kotak Mahindra Old Mutual Life Insurance Ltd.
16. Life Insurance Corporation of India (Public Sector)
17. Max Life Insurance Co. Ltd.
18. PNB Met Life India Insurance Co. Ltd.
20. Sahara India Life Insurance Co. Ltd.
21. SBI Life Insurance Co. Ltd.
22. Shriram Life Insurance Co. Ltd.
24. Tata AIA Life Insurance Co. Ltd.

<table>
<thead>
<tr>
<th>Life insurance business performance</th>
<th>2013-14</th>
<th>2012-13</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Public Sector</td>
<td>Private sector</td>
</tr>
<tr>
<td>Premium Underwritten (Rs in Crores)</td>
<td>236942.30</td>
<td>77340.90</td>
</tr>
<tr>
<td>New Policies Issued (in Lakhs)</td>
<td>345.12</td>
<td>63.60</td>
</tr>
<tr>
<td>Number of Offices</td>
<td>4839</td>
<td>6193</td>
</tr>
<tr>
<td>Benefits Paid (Rs in Crores)</td>
<td>158081</td>
<td>58994</td>
</tr>
<tr>
<td>Individual Death Claims (Number of Policies)</td>
<td>760334</td>
<td>125027</td>
</tr>
<tr>
<td>Individual Death Claims Amount Paid</td>
<td>8475.26</td>
<td>2385.33</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>(Rs in Crores)</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
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<tbody>
<tr>
<td>Group Death Claims (Number of lives)</td>
<td>267296</td>
<td>158682</td>
<td>245467</td>
<td>119970</td>
</tr>
<tr>
<td>Group Death Claims Amount Paid (Rs in Crores)</td>
<td>1882.83</td>
<td>1222.25</td>
<td>1697.37</td>
<td>949.08</td>
</tr>
<tr>
<td>Individual Death Claims (Figures in percent of policies)</td>
<td>98.14</td>
<td>88.31</td>
<td>97.73</td>
<td>88.65</td>
</tr>
<tr>
<td>Group Death Claims (Figures in percent of lives covered)</td>
<td>99.65</td>
<td>90.45</td>
<td>99.54</td>
<td>87.79</td>
</tr>
<tr>
<td>No. of Grievances reported during the year</td>
<td>85284</td>
<td>289336</td>
<td>73034</td>
<td>267978</td>
</tr>
<tr>
<td>Grievances resolved during the year</td>
<td>85828</td>
<td>288836</td>
<td>72655</td>
<td>268415</td>
</tr>
<tr>
<td>Grievance Resolved (in percent)</td>
<td>100.64</td>
<td>99.83</td>
<td>99.48</td>
<td>100.16</td>
</tr>
</tbody>
</table>

Table 1: Life insurance business performance

1.2.2 REGULATORY FRAMEWORK

*Insurance Regulatory and Development Authority* (IRDA) is an autonomous apex statutory body which regulates and develops the insurance industry in India. It was constituted by a Parliament of India act called *Insurance Regulatory and Development Authority Act, 1999* and duly passed by the Government of India. The agency operates from its headquarters at Hyderabad, Andhra Pradesh where it shifted from Delhi in 2001.

1.2.3 RISK PROFILE OF INSURANCE COMPANIES
Under risk profile of insurance companies, the following risks would be covered:
(1) Insurance Risk
(2) Investments Risk
(3) Credit Risk
(4) Asset-Liability Management Risk
(5) Liquidity risk
(6) Operational Risk
(7) Environmental Risk

**Insurance Risk:**
The risk that is inadequate or inappropriate product design, pricing, underwriting, claims management and reinsurance management will expose a life company to financial loss and the consequent inability to meet its liabilities. The major components of Insurance risks are:

**Product design risk:**
- The Type of risks that are underwritten (death, disability etc.)
- The nature of any “guarantees” or “options” provided.
  - Guarantees: Minimum guaranteed interest rate, Annual/terminal surplus participation etc.
  - Options: Paid-up option, Resumption option, Dynamic Premium Adjustment, Surrender options, guaranteed annuity options etc.

**Underwriting risk:** Weaknesses in the underwriting process and in the types and levels of controls and systems can expose a life company to the risk of incurring claims beyond the level assumed in pricing. This may threaten the long-term viability of the life company.

In this study will be focus only on Insurance risk.

**1.2.4 PREFERRED RISK IN LIFE INSURANCE**

Life insurers have understood for a long time that certain differences among the population lead some groups to exhibit more favorable mortality than others. All other things being equal, females outlive males; tobacco use is detrimental to health and adversely affects mortality. But formal preferred programs – life insurers selecting among standard risk applicants and offering premium discounts to the best risks.

Prior to the introduction of preferred programs, companies offered a single premium rate for each age and sex cohort (some with discounts for nonsmokers). A 45 year-old male who qualified for coverage paid a premium rate identical to any other 45-year-old male. As a result, the industry experienced pooling of risks – those with more favorable mortality offsetting costs of those with impaired mortality. With the introduction of preferred programs insured pay rates more in line with their risk profile, reducing premium cross-subsidization.

**1.2.5 RISK MANAGEMENT**
(A) INTRODUCTION:
Risk management is a structured approach to managing uncertainty related to a threat, through a sequence of human activities including: risk assessment, strategies development to manage it, and mitigation of risk using managerial resources. The approach of risk management includes:

- Transfer risk to another party
- Avoid the risk
- Lessen the harmful effect of risk
- Bearing some part or all loss/cost/consequence of the risk

Some conventional risk managements are focused on risks curtailing from material or legal causes (e.g. natural disasters or fires, accidents, death and lawsuits) while Financial risk management focuses on risks that can be managed using traded financial instruments. The objective of risk management is to reduce different risks related to a preselected domain to the level accepted by society. It may refer to numerous types of threats caused by environment, technology, humans, organization and politics. On the other hand it involves all means available for humans, or in particular, for a risk management entity (person, staff, and organization).

(B) SOME EXPLANATIONS
If we talk about perfect model of risk management, it says first prioritize the risk and then handle the risk with greatest loss plus greatest probability first and risk with lower loss and probability of occurrence later in descending order. As per now the process seems very simple but in practice the process can be very difficult. The main point of confusion will come while prioritizing the risk with its probability in a case like balancing between risks with a high probability of occurrence but lower loss versus a risk with high loss but lower probability of occurrence.

Sometimes an organization ignores a risk which has a 100% probability of occurring. The organization does so due to lack of ability to identify that risk. The happening of any such mistake is a risk for organization itself.

There are certain types of intangible risks always attached like lack of knowledge gives rise to a knowledge risk. An ineffective association gives rise to relationship risk. Process-engagement risk may be an issue when ineffective operational procedures are applied. These risks directly reduce the efficiency of knowledge human resources, decrease cost effectiveness, productivity, service, excellence, status, brand value, and income worth.

Intangible risk management permits risk management to generate instant worth from the recognition and reduction of risks that reduce efficiency.

Risk management also counters problem in assigning assets. The mistake in allocation of resources gives rise to opportunity cost i.e. resources spent on risk management could have been spent on more profitable activities. Thus if the cost of managing risk exceeds the cost from loss, utilizing the risk management tool itself becomes a risk for organization. Thus a perfect model of risk management should characterize with minimum expenses and maximum risk mitigation.

(C) STEPS IN THE RISK MANAGEMENT PROCESS

I. Establish the context

II. Identification

III. Assessment

I. Establish the context
II. Identification

The next step after establishing context is to identify the potential risks. Risks are nothing else but the events which on triggering cause problems. Thus, risk identification starts with the source of problem or with the problem itself. Hence, identification of potential risk involves source analysis and problem analysis:

**Source analysis:**

- Risks sources may be internal or external to the system that is the target of risk management. Examples of risk sources are: stakeholders of a project, employees of a company or the weather over an airport.

**Problem analysis**

- Risks are related to identify threats. For example: the threat of losing money, the threat of abuse of privacy information or the threat of accidents and casualties. The threats may exist with various entities, most important with shareholders, customers and legislative bodies such as the government.
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COMMON RISK IDENTIFICATION METHOD

- **Objectives-based risk identification**
  - Any event that endanger achieving an objectives partly or completely is identified as risk

- **Scenario-based risk identification**
  - Any event that triggers an undesired scenario alternative is identified as risk

- **Taxonomy-based risk identification**
  - Based on the taxonomy and knowledge of best practices, a questionnaire is compiled.
  - The answers to the questions reveal risks

- **Common-risk Checking**
  - In several industries lists with known risks are available. Each risk in the list can be checked for application to a particular situation.

- **Risk Charting**
  - Creating a matrix with resources and consider the threats they are exposed to and the consequences of each

**III. Assessment**

- Risks have been identified
- ASSESS the potential severity of loss
- ASSESS the probability of occurrence
This step is most important and highly critical for successful implementation of risk management plan. Assessing the potential severity of loss and its probability of occurrence can be either simple or impossible to know. For example, it is easy to measure the value of a lost building but impossible to assess the probability of occurrence of an unlikely event. Thus, the major problem in assessing risk is determining the probability of occurrence of an event as there is lack of availability of any such past data. Additionally it is quite difficult to assess the severity of loss for immaterial assets. The available solution to this problem is primary source of information.

Hence, it is required for a risk manager to prioritize the risk and first assess the primary risks which are easy to understand and make decisions. There are many theories to quantify the risk, but the most widely accepted is:

\[
\text{RISK} = \text{RATE OF OCCURRENCE} \times \text{IMPACT OF EVENT}
\]

The point of concern is not the formula which is used to assess the risk but the frequency of performance of risk assessment.

1.3 PROBLEM OF STATEMENT

The problem of this study is that there is very limited empirical documentation in the area of risk management tools and techniques used in life insurance industry in India. But many scholars have worked in interrelated areas like Harrington and Niehans (2004) in their book on “Risk Management and Insurance” provide a brief overview of major life insurance and annuity products which are very much suitable to the lower and middle class customers. The tax benefits available to these products and also their pricing procedures are discussed. Gupta, P.K. (2008) in his book on “Insurance and Risk Management” analyses the different aspects of insurance and also the related risk management components. The comparative cost-benefit analysis of insurance is also depicted comprehensively in the book. Inderjit Singh (2009) in their Book on “Insurance and Risk Management” analyze the different facets of the privatization of Indian Insurance Sector. The different approaches of managing risk based capital are discussed. This has developed the growing interest in the development of risk management in life insurance industry.

The life insurance industry in Chittorgarh, like in any other city, has quest to deliver quality services to its customers and minimizing their risk. Over the past decade, competition in the life insurance industry has greatly increased in Chittorgarh as many new branches are opening up.

List of life insurance companies in chittorgarh district is as follows:

1. Life insurance Corporation of India
2. Bajaj Allianz Life Insurance, Meera Market, Chittorgarh
3. Birla Sunlife Insurance Co Ltd, Bhilwara Road, Chittorgarh
4. ICICI Prudential Life Insurance Company Limited, Fort road, Chittorgarh
5. Sahara Life Insurance, Pratap Nagar, Chittorgarh
6. SBI Life Insurance Ltd, near Roadways bus stand, Chittorgarh
There is the need to increase understanding of relevance of risk management in life insurance industry.
In the view of the above, the main problem of this study is: the lack of empirical data available about life insurance industry in Chittorgarh.

1.4 PURPOSE OF THE STUDY

The main purpose of this study is to develop a tool and technique for risk management for life insurer to analyze the customer at primary stage for the risk he/she is exposed to.

1.5 MAIN OBJECTIVES OF THE RESEARCH WORK

In view of growing complexity of Insurance business and the dynamic operating environment, risk management becomes very significant. Insurance companies already realize the significance of risk, and expect risk to become even more important in the future. Even though, improvements in risk management strategy adopted by companies are essential. Insurance and risk management experts believe that risk management needs to be the priority of insurance companies. The risk management function in insurance is well-developed, but shows some tangible gaps with respect to current scenario. The objective of study is to identify the level of risk management in insurance companies in India & develop a good risk framework with strong governance structure so that the insurance companies should know how to mitigate the risk. The present study is undertaken to assess the impact of Risk Management and Risk Based Supervision measures introduced by IRDA. The main objective of the study is to evaluate the benefits of these measures on the overall working of Insurance Companies.

Thus, objective of this study can be summarized in following points:
- To study the impact of risk management guidelines of IRDA.
- To evaluate the benefits of such measures in life insurance companies.
- To identify the level of risk management in insurance companies.
- To identify the gap between the prevailing risk management framework and requirement of the time.
- To develop a good framework that abides with the guidelines of IRDA for risk management in life insurance companies.
1.6 RESEARCH QUESTIONS

The study seeks to answer the following specific research questions:

1. What are the determinants of risk for life insurance?
2. To what extent these determinants can affect a life insurer?
3. How the relationship between risk management and life insurance industry is influenced by customer’s background data (gender, age, education, income level)?

1.7 IMPORTANCE OF PROPOSED RESEARCH WORK

Insurance essentially is an arrangement where many, who are exposed to similar risk, share the losses experienced by a few. According to Rejda, (2004) risk is defined as uncertainty concerning occurrence of a loss. According to Vaughan, (2003) risk management is a scientific approach to dealing with pure risks by anticipating possible accidental losses and designing and implementing procedures that minimize the occurrence of loss or the financial impact of the losses that do occur. Rejda (2004) mentions that for insurance to work successfully the loss must not be catastrophic and it means that a large proportion of the exposure units should not incur losses at the same time. The extent of the challenge for insurance companies depends on the state of their risk management strategy, and this paper will results in revealing the state of the risk management in Indian insurance industry. A properly structured risk identification, analysis, and mitigation process can moderate the risks associated with insurance companies. This paper will help in identifying the gap between current & required risk management framework. This paper will also help insurance companies categorizing their prospective customers according to the risk exposed in insuring them.

1.8 SCOPE

Risk Analysis and Risk Management has got much importance in the Indian Economy during this liberalization period. The foremost among the challenges faced by the Insurance sector today is the challenge of understanding and managing the risk. The very nature of the insurance business is having the threat of risk imbibed in it. Insurance companies themselves are business in managing risk therefore it is the upmost priority for them to manage their own risk. This thesis is limited to the study of life insurance companies in Indian financial sector. The study covers the major life insurance companies in Rajasthan. The study is concentrated on risk management strategy, policy or internal control of these companies. The reason for choosing risk management as research scope is that IRDA has issued a set of guidelines on corporate governance in 2010 which contained a reference to the setting up of a mandatory risk management committee (RMC). This study will show that whether the companies are abiding to guidelines of IRDA and also shortcomings of the current methodology used to analyze risk, and the elements that are missing in the current procedures of risk management. This study also
surveys the people to identify the risk involved for life insurance companies in insuring those people. This study will help in identifying the percentage of risk exposed with the people to whom insurance companies are providing life insurance. Thus, scope of this research can be summarized in following points:

- It covers the life insurance companies & prospective customers in Rajasthan.
- It covers the risk management policies of these companies.
- It identifies the risk exposed with the people to whom life insurance companies are insuring.

1.9 LIMITATION OF THE STUDY

Following are the limitation of the study:-
1. The study is limited by constraints of resources, access and time.
2. The study could have been done on every suburbs of Chittorgarh for respondents to complete questionnaire for the study.
3. Language is another access limitation as it will be difficult translating some statements into local dialects perfectly.
4. Not every Life insurance company employees in Chittorgarh cooperated for the study.
5. The sample size of the study is limited i.e. 200 customers.

1.10 DELIMITATION OF THE STUDY

The study is specifically delimited to the following:-
1. Only six life insurance companies in Chittorgarh were studied.
2. Only individual customers, not institutional customer, who use the services of group life insurance, were included in the study.

1.11 STRUCTURE OF THE THESIS

The thesis would be structured into six chapters. Chapter one gives an introduction to the research. Chapter two is about the theoretical background to the studies. Chapter three describes the methodology for the studies. Chapter four looks at topic undertaken. Chapter five focuses on data analysis, discussion and interpretation of the results. Chapter six contains key findings, recommendations, suggestion for further research and conclusion.

Chapter 1 Introduction

In this chapter we will deal with background to the study, problem statement, purpose of study, objectives of the study, research questions, significance of the study, limitation of the study, delimitation of the study, structure of thesis.
Chapter 2  Literature Review

In this chapter we will survey and abstract academic journals, conferences proceedings, technical reports, books, etc on the nature of the risk management problem in insurance industry. It covers the development of insurance industry, concept of risk management in insurance industry, determinants of risk management in insurance industry and influence of demographic variables.

Chapter 3  Life insurance industry

This chapter covers what is life insurance, need for life insurance, life insurance industry overview, consumer segments and industry potential.

Chapter 4  IRDA guidelines

This chapter includes concept and methods of risk analysis and risk management by attention to IRDA guidelines for risk analysis in Insurance Industry. This chapter refers to introduction to risk management in insurance sector and include some definitions and declaration of objective of risk management, reviewing of risk management methods, explanation of risk management cycle, presses and structure, IRDA guidelines in risk management.

Chapter 5  Risk Management

This chapter covers concept of risk management, its process, risk management practices in Indian insurance industry, modern trends of risk management, background, risk drivers, risk framework, franchisee v/s policyholder interest, CRO role, risk management tools and risk analysis

Chapter 6  Risk management & insurance planning

This chapter includes proforma of agent’s confidential report, life insurance pricing element, basis of rating in India, class rating, importance of underwriting, basic underwriting principles and making an underwriting decision.

Chapter 7  statistical data

This chapter includes some statistical data about Chittorgarh district

Chapter 8  Research Methodology

In this chapter we will discuss about research perspective, statement of hypothesis, source of data collection, sample size, sampling method, method of data collection and instrument used.
Chapter 9 Data Analysis

In this chapter we will discuss the data collected from respondents and interpretation of data.

Chapter 10 Findings & Conclusion

This chapter includes findings from prospective customers, recommendation, suggestions and conclusion.